



Board of Directors Minutes
April 30, 2007

Board Members Present: Michael Abplanalp (Director, ACC Liaison), Corinne Solano (Treasurer), Dan Rivers (Vice President), Dick Robertson (Director, Water Conservation), Allen Alchian (President), Marshall Boss (Director, Covenant Enforcement Oversight), Penny Dyer (Director, Common Area Maintenance)

Guests Present: Diane & Steve Boggs, Bob Sievert, Laurie Petty, John Witsken, Bev Giltner, Julie Imada (Tribune), Carol Hattrup, Penny Dyer, Marshall Boss, Pat Wasson (Executive Director)

Meeting called to order at 5:53 PM

I. Executive session

- A. Hearing on 1653 Kings Cross Lane (Landscaping around fence) The decision of the Board is to impose a \$400 fine payable in two installments: \$200 paid to the Association not later than July 1, 2007, and a second \$200 paid not later than September 1, 2007. The Executive Director shall visit and photograph the plants around the exterior perimeter of the fence before May 15, 2007. The Executive Director shall visit the site again between September 1 and September 15, 2007 to confirm all plants are still alive. Failure to pay the either installment when due, or failure to replace dead plants before the September site visit will result in immediately imposing a \$1,000 fine and filing a lien against the property.
- B. Interviews to fill Board vacancy.
 - 1. All candidates were highly qualified, and board members made it clear that they would serve with any of the candidates. Final decision:
 - a. Penny Dyer
 - b. Marshall Boss

II. Adopt agenda.

- A. Rivers moved to approve. Solano seconded. Motion carried. Agenda adopted.
- B. The Board agreed to continue the meeting on Friday May 4 at 3:00 PM, at this same location, 1691 Woodmoor Drive in the event all business is not completed today.

III. Approval of Board minutes

- A. Add Board member's duty titles with the list of Board members present.
- B. Identify who made motions and seconds.
- C. Change second sentence of II.G.2. to read, "The Board needs to record the Resolution appointing new directors to the vacant board positions that resulted from the March resignations."
- D. Paragraph II.G.4. Replace in the first sentence, "situation" with "corporate status and legal documentation".
- E. Change III.B.2. to read, "The board agreed that directors signing for all bank accounts will be Solano and Alchian."
- F. Abplanalp moved to approve with the above corrections. Rivers seconded. Unanimous.

IV. Tabled motion from April 9, 2007 to nominate Rich Paul to Board. Rivers moved to take the motion from the table. Seconded. Unanimously approved. Robertson asked to withdraw his motion. There being no objections, the Chair approved.

V. Director appointments

- A. Marshall Boss is appointed to Covenant enforcement oversight by Alchian.
- B. Penny Dyer is appointed to Common area maintenance by Alchian.

VI. Treasurer's Report

- A. Alchian provided Solano with the draft 2006 audit and asked Solano to review and provide comments at the next meeting of the Board.
- B. The Board discussed who should do the 2005 Audit - Solano will get three quotes from independent auditors.

VII. Parking Waiver Request

- A. Board reviewed a request from the owner of 19050 Archers Drive for a waiver from the covenant restriction against parking a vehicle outside. The basis of the request was the owner's medical condition. The vehicle is too long for their garage. After some discussion, the Board tabled for further evaluation and legal consultation.

VIII. Richmond American Homes

- A. Rivers reported that he and Alchian visited Richmond Homes office in Colorado Springs on April 24, meeting Gary Lest (Vice President of Construction), Jeff Mark (Director of Land Acquisition) who will be the point of contact for the King's Deer Board of Directors, and Naum Nasif (Land Acquisition Specialist). Construction drawings of houses currently under construction in King's Deer were reviewed, and the initial impression was that the plans were substantially consistent with the *King's Deer Design Standards*.
- B. On April 28, ACC Chairman Rich Paul, Alchian and Rivers visited the Cobblestone Ranch subdivision near Franktown to view Richmond models that were almost identical to houses under construction in King's Deer. Their reaction was that the models were very comparable to homes constructed in King's Deer.
- C. Comments from guests attending the Board meeting.
 - 1. Bev Giltner was critical of cedar decks, citing that as a "critical issue because UV rays at this altitude deteriorates wood within five years." She also questioned how a \$325,000 building permit for the Castlecombe project can translate to a home valued over \$600,000.
 - 2. Hattrup stated that King's Deer needs the written approval from the Declarant in accordance with the covenants prior to project construction.
 - 3. Rivers commented that we will receive the drawings for the two approved Richmond homes that are under construction in King's Deer from Paul Thompson and we will then know exactly what is under construction. Rivers emphasized the Board understands the member's concerns and is engaging with the declarant and Richmond to open communications and establish a cooperative relationship.
 - 4. Solano added that the Board has met with legal council and the covenants paragraph 26F gives the Declarant specific rights which they are exercising. We must accept the reality that they are acting within those rights and we must approach the challenges within that context.

IX. Rivers moved to adjourn and continue on Friday, May 4, 3 PM, same location. Solano seconded. Motion carried.

Meeting adjourned at 7:35 PM to continue May 4.

Meeting called to order 2:54 PM Friday, May 4, 2007, as continuation from April 30, 2007.

Board Members Present: Michael Abplanalp (Director, ACC Liaison), Corinne Solano (Treasurer), Dan Rivers (Vice President), Dick Robertson (Director, Water Conservation), Allen Alchian (President), Marshall Boss (Director, Covenant Enforcement Oversight), Penny Dyer (Director, Common Area Maintenance)

Guests Present: John Witsken

X. Secretary Report

- A. Abplanalp nominated Richard Robertson as Board Secretary. Rivers seconded. Unanimous.
- B. The next three regular business meetings of the Board will be Thursday, May 17, Thursday, June 7, and Thursday, June 21. Each meeting will begin at 2:45 PM with a three hour limit. The meeting location will be the basement of the Woodmoor Barn, 1691 Woodmoor Drive.

XI. Director and Committee Reports

A. Architectural Control Committee.

- 1. The Committee exercised its first Compliance Fee withhold (\$50) during the April 26 ACC meeting. This was in response to a builder failing to control debris on the job site over a weekend and it was scattered by high winds to neighboring properties.
- 2. The Committee recommended covenant enforcement action at 810 Lancers where the resident has covered the inlet of a drainage culvert under the trail. This was not approved by the ACC and the result will likely be damage to the trail. Board authorized an enforcement notice. (Action: Wasson)
- 3. The Board expressed concerns about road drainage damage at Castlecombe Lane and Roller Coaster Road caused by exceptionally long gravel trucks supporting the construction at 1218 Castlecombe. Rivers agreed to address the concerns to the project's primary contact. (Action: Rivers)
- 4. Abplanalp distributed a copy of the ACC report to all directors.

B. Covenant Enforcement

- 1. Alchian distributed a copy of the Covenant Violation Report to all directors.
- 2. 1218 Castlecombe Lane. Rivers will contact the company to obtain resolve the sign blocking the trail, plus discuss concerns with trucks driving onto the road shoulder. (Action: Rivers)
- 3. Boss will review the active violations with Wasson and Alchian to familiarize himself with the background on the various issues. (Action: Boss)

C. Common Area Maintenance

- 1. Dyer will be contacting the maintenance employee to get an overview of the job requirements and to start setting maintenance priorities. She reported that the employment paperwork was okay except for having a copy of the individual's drivers license and social security card. (Action: Dyer)
- 2. Dyer expressed concerns about the funding level of the reserves, and this was agreed by all directors to be a financial concern needing attention.

D. Water Consumption.

1. We still have two residences whose owners have not provided the required meter reading. Those owners names have been forwarded to the Division of Water Resources for possible further action by that office.
2. A revised final report of the 2006 water consumption is almost ready to go to the Division of Water Resources. The average consumption of water per house has exceeded the amount authorized by the two court decrees. However, because King's Deer is not fully built out, the total cumulative consumption is below that which is allowed for all of King's Deer. We need to be emphasizing the need to constrain water consumption before our total consumption exceeds the total authorized or there could be negative consequences from the State. Our first efforts will be on educating the membership.

E. Office Report.

1. The office will be closed May 24, 25, and 28.
2. Wasson is attending a two night, eight hour class offered by Community Associations Institute.

F. Committees

1. After some discussion about the purpose of the Landscape Standards Committee, Rivers moved to charter the committee by adoption of the Landscape Standards Committee Resolution. Robertson seconded. Approved unanimously.
2. By request of Dyer and Robertson, both were added to the list of prospective members of the Budget Oversight Committee.
3. The board, by consensus, appointed the following individuals as liaison to the board for the following committees:
 - Solano—Budget Review Committee
 - Solano—Communications Committee
 - Dyer—Beautification Committee
 - Boss—Covenant Enforcement Committee
 - Boss—Covenant Revision Committee
 - Abplanalp—Design Standards Revision Committee
 - Robertson—Elections Committee
 - Rivers—Facility Requirements Committee
 - Alchian—Land Use Committee
 - Abplanalp—Landscape Standards Committee
 - Abplanalp—Safety Committee
 - Robertson—Water Use and Conservation Committee
4. The directors reviewed the list of 12 committees with the volunteers for those committees. Robertson moved to appoint all volunteers to the committees they have volunteered for. Boss seconded. Approved unanimously.

XII. Unfinished Business

A. Parking Waiver Request.

1. Owner of 19050 Archers Drive requested a waiver to the covenant restriction against parking a vehicle outside. After some discussion, the Board, acknowledging the medical situation of the owner, unanimously approved the waiver request with a motion by Rivers, second by Robertson. The Board granted the parking waiver because of the following seven circumstances and conditions:
 - a. the vehicle is the only style that can fulfill the owner's needs given their medical condition and physical limitation;
 - b. the vehicle is too long to fit in their garage.

- c. the property has substantial existing vertical landscape that provides some screening of the vehicle parking area;
 - d. the vehicle shall be parked in the immediate vicinity of the garage;
 - e. the house is directly across from the elementary school and thus the vehicle will not in the direct line of sight of any residential view of Pikes Peak;
 - f. the waiver is only for this owner of the property; and
 - g. the waiver was requested and granted prior to the vehicle purchase by the owner.
- B. Revenue Proposal. Robertson requested Board review the revenue proposal and suggested that we get an initial, informal legal opinion from Hattrup on whether the proposal is permitted within the legal provisions of the state of Colorado and any other pertinent laws, etc.
- C. Community Meeting. The Board agreed that a Community Meeting should be held to provide more information to the membership than they receive through the newsletter. However, because the directors are still learning their jobs, the Board agreed by consensus to plan on having the meeting in late July or early August.
- D. Annual Garage Sale. Alchian reminded that the event is scheduled for Saturday, June 9, so we need to finalize plans. By consensus the directors agreed to place an advertisement in both *The Gazette* and the *Tri-Lakes Tribune*. Alchian will write a reminder for the newsletter.
- E. Newsletter. Alchian reminded directors the deadline for articles is Wednesday, May 9. Abplanalp volunteered to prepare the newsletter for mailing once it is printed.
- F. Richmond Homes Projects.
- 1. Rivers and Solano reported on their recent meeting with Paul Thompson who is one of the three partners of the King's Deer developer. The meeting was very positive in that Mr. Thompson is receptive to including the HOA Board in the review of plans for the Richmond homes. Rivers was optimistic that if the Board continues its positive and non-threatening approach in these negotiations, the Association may be able to regain some of the authority and funding that we lost in the wake of the very public outbursts against Richmond by some Association members. We hope to soon make similar progress with Lennar Homes.
 - 2. Rivers proposed a resolution for the Board, establishing the Board's commitment to good faith negotiations and communications in representing the HOA to builders. The resolution read:
WHEREAS the Declarant is acting fully within its rights under the King's Deer Highlands Covenants per HOA counsel, and
WHEREAS the Board does not see any grounds at this time for legal action of any kind by the HOA based on the covenants and bylaws or on present or past circumstances or on actions of present or past Directors,
NOW therefore, Be it resolved
That the best way forward is for the Board to communicate and negotiate any difficulties in good faith with either the Declarant or the builders, keeping the membership fully informed and addressing their concerns.
Boss moved to adopt the resolution. Abplanalp seconded. The resolution was adopted unanimously by the Board

XIII. New Business

- A. Lot Mowing Enforcement Strategy. Alchian reminded directors that the deadline is July 1. He added that this year the Association will be monitoring the lot mowing throughout June so if any lots are mowed in early or mid June instead of immediately prior to July 1, the Association records will reflect that the required minimum one mowing has been accomplished.
- B. The Board agreed by consensus to defer to the next regularly scheduled meeting the following agenda items:

1. Director training.
 2. Review insurance policies.
 3. Records access policy.
 4. Review *Homeowners Roles & Responsibilities*.
 5. Dispute resolution policy.
 6. Covenant enforcement policy.
 7. HOA Manager roles and responsibilities.
- C. Mr. Witsken, attending guest and HOA member, asked Rivers the nature of funding that we might receive from Richmond. Rivers responded that we are hoping to recover some of the fees paid when submitting a new construction project application for review and approval. We are seeking to reinsert the Association back into the project approval process. We believe we may succeed in restoring payments to the Association that are associated with the sale of a property. And, finally, we are hoping to restore the refundable compliance fee that is applied to new house construction projects. But, Rivers emphasized, none of this is assured at this point but we are cautiously optimistic.

Meeting adjourned 5:20 PM.

Attachments

1. ACC Report
2. Covenant Violation Report
3. Landscape Standards Committee Resolution and Charter
4. Committee Volunteer List
5. Revenue Proposal

Approved: _____, 2007

Allen Alchian, President

Richard B. Robertson, Secretary