

HIGHLINE MEADOWS CONDO ASSOCIATION

Board Meeting—October 30, 2007

Call Meeting to Order—The meeting was called to order at 6:00 p.m. by Board President Tom Steinhauser. Those present: Tom Steinhauser, Dan Morgenthaler, Alan Saval, Dave Starr. Denise Haas, Cyndi Porter and Jonathan Wells with TMMC Property Management were also present representing the management company. Bill Magno/Rory Scott were also present for a portion of the meeting.

Board of Directors Elections/Nomination—The Board discussed the homeowner that stated that they would like to volunteer to be on the Board. After discussion, a motion was made to elect Brad Larson to the Board by Dan, all in favor, motion carried. The Board then elected positions as follows, all in favor, motion carried.

- a. Tom Steinhauser—President
- b. Dan Morgenthaler—Vice President
- c. Alan Sava I—Treasurer
- d. Brad Larson—Secretary
- e. Dave Starr—Member-at-Large

iii. Approval of Minutes—The Board reviewed the minutes from the September 2007 meeting. Alan moved to approve the minutes as written, all in favor, motion carried. Review of Annual meeting minutes was tabled.

Open Session—Open Session convened at 6:35 p.m.

IV. Maintenance Update—Rory provided an update as follows:

- a. Numerous drywall repairs
- b. Removing landscaping around bldg. 50
- c. Meeting with vendors
- d. Trash Dumpsters
- e. Advised that Stanley Steemer had been out to clean the carpet in the clubhouse, building 130 and 140 as well as the clubhouse furniture.

V. Homeowner Forum

a. TMMC did a presentation to the homeowners present regarding how an Association works. TMMC introduced the new board member. TMMC clarified that Board members are elected at the annual meeting and if there is not quorum than the Board has the right to appoint a Board member. TMMC stated that the Association has not an quorum for the last 7 or 8 years. TMMC also stated that part of revising the governing documents was to be able to attain a quorum. TMMC clarified that Rory/Bill are not employees of TMMC, they work for Highline Meadows and are hired by the Board. TMMC also advised that they do not make any decisions for the Association. All decisions are made by the Board and acted upon at the direction of the Board through TMMC. TMMC also stated that they do not have signatory authority on any account for the Association. The Board signs all checks for the Association.

- b. The Association Attorney, Mike Rhoads, clarified how dues are collected when homeowners are delinquent. He stated that most likely the most the Association will get when a property is in foreclosure is six months worth. TMMC stated that currently there are \$92,000 in delinquencies for the Association.
- c. TMMC clarified what the previous 1999 special assessment was used for. Advising that the following:
- i. Underdrain/main drive \$404,000
 - ii. Painting condos/townhomes \$ 82,100
 - iii. Garage Repairs (roofs/doors) \$ 31,000
 - iv. Replace lift station \$ 78,155
 - v. Slip line the sewer lines \$ 74,652
- d. Homeowners were issued a special assessment in the amount of \$525,726.00. The Association ended up spending \$730,486. The difference was absorbed in the Association's operation budget. After all of the work was completed an additional \$71,349 was spent for emergency sewer line repairs.
- e. A homeowner inquired as to why his petition box was removed. TMMC stated that it could not be mounted to common area property without consent from the Board. TMMC also advised that the homeowner could not distributed flyers on the property without consent from the Board.
- f. A homeowner and previous Board member advised that the Association is in poor shape due to what happened 20 years ago and advised that it was not going to turnaround over night it was going to take 20 years to get out of it. He advised that he has been very satisfied with how the Board is functioning over the last 10 years.
- g. After extensive discussion regarding the property and how it functions, a homeowner volunteered to head the Beautification Committee. TMMC passed around a sign up sheet for others to join him. TMMC reminded him that he needed to work with the Board and not against them. That all of committee members needed to sign releases and all work would be coordinated with the maintenance personnel and the Board. The homeowner agreed.

Adjournment of Open Session—**This portion of the meeting adjourned at 7:55 p.m.**

VI. Unfinished Business

- a. Fire Code Update—TMMC advised that the project is out for bid. Should have proposals back for review by the next meeting. TMMC advised that the fire department is pressing for the Association to get the work completed. TMMC stated that they have advised the fire department that the proposals are out for bid and what the next steps would be.
- b. Building 50 Update—TMMC advised that Instar is trying to set up a

meeting to sign off on all of the work for the building. TMMC advised that they will keep the Board apprised as to when that meeting will be.

c. Special Assessment—TMMC discussed with the Board the state of the Association in regards to money advising that the Association \$81,000 overdrawn as well as there are \$92,000 in delinquencies and no reserve. TMMC reminded the Board that the reserve had to be used to pay the insurance premium. TMMC stated that the \$92,000 equates to 1.5 months of operating expenses for the Association. TMMC stated that this is an emergency situation and proposed a \$200,000 and \$250,000 dollar special assessment. TMMC stated that the Association is not eligible for a loan due to the exceptionally high amount of delinquencies in the Association. The Board inquired about other solutions to remedy the situation without doing a special assessment. TMMC stated that they would welcome suggestions, however, at this time, due to the fact that the Association had been making up for poor management 15 to 20 years ago and it has finally caught up with the financial portion of the Association, they did not have any other suggestions. TMMC did state that the Association could consider laying employees off and reducing costs that way but it would not be a long term fix and would most likely cause more costly issues to be addressed. After further discussion, a motion was made to authorize a \$250,000 special assessment to be paid in one lump sum or over a period of 5 months by Brad, all in favor, motion carried. TMMC will draft a letter for the Board to review and approve prior to mailing out to homeowners.

d. Aluminum Wire Letter to Townhomes—Tabled

VII. New Business

a. Proposals for Window Cleaning in the Condo Buildings—Tabled

b. Alligator Pool Proposal for 2008 Season—Tabled

c. Sprinkler Repairs that Need to be Completed—Tabled

d. November Meeting Date—TMMC inquired if the Board could change the November meeting date to November 13th in lieu of the week of Thanksgiving. After discussion, the Board agreed to change the meeting date. TMMC will distribute flyers announcing the change.

Monthly Reports

a. Governing Document Follow Up—TMMC advised that they had received the final draft of the governing documents and that they are ready to be mailed.

b. Financial Reports and Bank Statements—The financials for September were reviewed. A motion was made by Alan to accept the financials as presented, all in favor, motion carried. TMMC presented the

Board with a statement from the attorney advising that some accounts

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be written off as they are uncollectible. After discussion, a motion was made by Dan to based on the attorney's recommendations the uncollectible accounts, all in favor, motion carried. The Board requested that TMMC investigate if these accounts could be posted on the homeowner's credit report as well as determine if it is reasonable to use collection agencies.

c. RUN Report—The RUN report was presented and reviewed

d. Attorney Status Report—The attorney status report was presented and reviewed.

II. Adjournment — The meeting was adjourned at 9:45 p.m.

Next Meeting

November 13, 2007 @ 6:30 p.m.

Highilne Clubhouse