

Cottonwood Green Association, Inc.
Annual Meeting Minutes
September 22, 2012

Call to Order

The meeting was called to order at 9:20 am at the home of Richard Kerr located at 303 Cottonwood Circle. Attendees: Ted Gabreski, President; Drew Smith Secretary (2 lots); Joe & Kim Anderson, Jeff Fowler, Glorriane Elmer, Asa & Barbara Geiger, Chris Harris, Cheri Jensen, Rick & Carol Kerr, Carl & Nancy Koecher, Janet Mancuso, Babes & Cherith Marchase (2 lots), Carol Moore, Patrick Post, Maria Lourdes Smith, and Janet Troyer. Also present Chris Krocesky.

Old Business

Execution of Proxies: Proxies from Elaine Adams, Mark & Sue Ceglowski, Mark & Cathy Costanza, Jesse and Lenore LeBlanc, Harry Greensfelder for the Jim Spencer Estate, Pierre Prouty, and Joe and Ann Volk Seven proxies were received. Carol Moore moved to accept the proxies. Rick Kerr seconded the motion. Motion passed unanimously.

Ted Gabreski welcomed the new people in the development and thanked Rick and Carol Kerr for hosting the Annual Meeting at their home. Mr. Gabreski thanked the Geigers and the Koechers for checking the sprinkler and drip systems to see that they are working properly and looking after the trees, shrubs and common areas.

Glorriane Elmer reported that Cortona Courts has 9 condos on 3 lots and pays Cottonwood Green an annual assessment of \$5,400 (\$600 per condo). She noted that each condo owner has the same voting rights as lot or homeowners.

Approval of September 11, 2011 Annual Meeting Minutes.

Carol Kerr moved to accept the 2011 Annual Meeting Minutes. Rick Kerr seconded the motion Motion passed unanimously.

Maintenance of Common Area

The members discussed the need for common area improvements and came up with the following:

1. Dying trees – determine what is wrong
2. Landscape needed between walkway and retention ponds and berms so they are comparable to those at Trailside
3. Replace sprinkler heads with new low flying ones
4. Repair of fence along golf course
5. Install entrance sign identifying Cottonwood Green

Estimates of what these projects cost need to be obtained.

Transferring Common Area to Cottonwood Green: It was reported that the common area was transferred from the developer to Cottonwood Green January 21, 2012.

Discussion of unsecured debt: Unsecured debt totals \$2,148.50 and is comprised of dues not paid before a property was sold. This should not be a problem going forward as liens have been filed on all properties with past due assessments.

Asa moved to write off \$2,148.50 in unsecured debt. Chris Harris seconded the motion. Motion passed unanimously.

New Business

Approval of Lawn Maintenance Contract for 2013: Rick Kerr made a motion to table approval of the lawn maintenance contract until a committee can meet and make a recommendation to the Board by October 15, 2012. Carol Moore seconded the motion. Motion carried unanimously.

Rick Kerr moved to appoint a committee to oversee repair and maintenance of the common area contract for basic services and re-negotiate the contract. Mr. Kerr amended the motion to include snow removal. Cherith Marchase seconded the motion. Motion passed unanimously.

Joe Anderson, Asa Geiger, Carl Koecher and Patrick Post offered to serve on the Repair and Maintenance Committee for the common area.

Rick Kerr moved to close the nominations for the repair and maintenance committee. Glorriane Elmer seconded the motion. Motion passed unanimously.

Joe Anderson offered to remove the concrete from Lot 14. Rick Kerr made a motion to authorize Joe Anderson to remove the concrete from Lot 14 with Julianne Miller's approval. Chris Harris seconded the motion. Motion passed unanimously. (Addendum: Via e-mail Julianne Miller gave approval and Joe Anderson was notified.)

Ratify 2013 Budget:

Asa Geiger questioned lowering the annual assessment from \$600 to \$500 for 2013. He felt that if the fees were lowered maintenance and improvement of the common areas would be ignored.

Drew Smith reported that the board had looked at how reducing the annual dues would relate to the budget and decided that \$500 would still leave a reserve of \$4,730. Drew Smith reported that water is billed quarterly and there was a \$1,997 water credit at the beginning of 2012. That is why there is zero expensed.

Motion: Carl Koecher moved to keep the annual dues at \$600 per lot. Asa Geiger seconded the motion. Vote: twenty-one approved, three opposed.

Rick Kerr recommended that a capital reserve be used for larger projects to add to, replace or renovate community property. The operating budget should be limited to routine repair and maintenance costs. This way the large costs of capital projects do not adversely affect the predictability of future operating expenses. After some discussion with Chris Krocesky, the HOA has approximately \$4,000 in operating reserves and \$10,000 in capital reserves. These amounts were accounted for in the total assets but are not listed separately.

The amount budgeted for Landscaping and Groundskeeping should be increased to catch up on delayed maintenance. Drew Smith recommended that the sprinkler expense be increased by \$1,000 and the trees and shrubs expense be increased to \$1,000.

Annual expenses are projected at \$19,770. Mr. Kerr pointed out that we do not have the actual annual expenses for 2010 and 2011 and that makes it difficult to forecast future expenses. He also pointed out that there are no accounts payable on the balance sheet and we don't know what constitutes the \$16,797 in accounts receivable.

Cherith Marchase moved to transfer \$5,000 from the 2013 Operating Budget Fund to the Capital Reserve Budget Fund. After the vote, there was a lot of discussion and Ms. Marchase suggested that as part of the justification for the higher lot rate. Rick Kerr seconded the motion. Motion passed unanimously.

Rick Kerr moved to establish a Finance and Audit Committee to oversee finances separate from the Board. Chris Harris seconded the motion. Motion passed unanimously.

Cherith Marchase and Rick Kerr offered to serve on the Finance and Audit Committee. It was recommended that Jeff Mancuso also be a member since he is Treasurer.

Rick Kerr moved to close the nominations for the Finance and Audit Committee. Chris Harris seconded the motion. Motion passed unanimously.

Rick Kerr moved to accept nominations for a Finance and Audit Committee. Cherith Marchase seconded the motion. Motion passed unanimously.

Meeting adjourned at 11:21 am.

Respectfully submitted,

Signature on File

Drew Smith, Secretary