

Watkins Farm Homeowners Association Meeting

WHEN: Wednesday, October 29th, 2008 @ 7pm

WHERE: Bennett Fire Department (~2miles E of Lulus on Hwy 36)

Call for approval of the minutes from the last HOA meeting

Agenda

Treasurers Report – Graham

With the money that was transferred from the CPMG accounts, we should have more than \$20,000 in our account. Why hasn't the board sent e-mails with financial information as they promised to do? Why hasn't a website been established so this information is available to all residents?

ARC Overview - Dave

Old Business

Management Company vs. Self Managing – Review and discuss the report completed by the Committee: Bob Essek, Nikki Headlee, Kris Srodawa and Cindi Gillespie

*The board was determined to not have a management company and set the expectation that they would assume all of the duties of CPMG. Over the past year, the board has proven that they do not want enforce covenants or effectively manage our Homeowner Association. They have stated at several board meetings and noted in the meeting minutes that they expect all of the property owners to comply with the covenants; however, they are not requiring anyone to do so. **Therefore any property owner can do whatever they feel is appropriate without consideration and respect to other property owners within Watkins Farm.***

Now that we don't have a management company and effectively a "do-nothing" board all you need to do is look at our property values and lack of home sales to prove that we need a change.

Nominations for the 2 – 2year HOA Board Member positions open in January 09

New Business

Volunteers for the Prairie Dog Committee

Reminders

Water readings due end of September

Open for Discussion

Due to the HOA Board's inability to uphold their fiduciary responsibility to everyone that owns a home and/or property within Watkins Farm; our properties have lost substantial value with very little chance of a sale in an already tight real estate market. We need a board that will look out for the entire community and not one that is narrow minded, self serving, and ineffective.

It Is Time to Hold the HOA Board Accountable for Answers as We Can NO Longer Accept the Consequences of Ineptitude!

WHAT HAS "SELF-MANAGEMENT" DONE FOR YOU AS PROPERTY OWNER IN WATKINS FARM?

It has been almost a year since the HOA Board of Directors was elected and chose to use the "self-management" concept for managing the Watkins Farm HOA. The board consists of Rich Pepe, Graham Vincent, Dave Tourtelot, Sheila Becker, and Terry Lewand. This group of people does not support Watkins Farm being a covenant controlled community. They do not want to enforce covenants or the state laws. They have stated at several board meetings and noted in the meeting minutes that they expect all of the property owners to comply with the covenants; however, they are not requiring anyone to do so. **Therefore any property owner can do whatever they feel is appropriate without consideration and respect to other property owners within Watkins Farm.** This is an HOA board that is focused on ensuring that they have no accountability to the property owners for their actions when state laws indicate otherwise.

Due to the HOA Board's inability to uphold their fiduciary responsibility to everyone that owns a home and/or property within Watkins Farm; our properties have lost substantial value with very little chance of a sale in an already tight real estate market. Our association is governed by state laws known as the Colorado Common Interest Ownership Act (CCIOA) and is considered by the State of Colorado as a non-profit business. The HOA Board does not understand that they are obligated by the State of Colorado to comply with these laws and implement best business practices since we are an official state-recognized HOA organization. The HOA covenants and state laws are focused on protecting the value and desirability of our properties. These covenants and laws also serve the purpose of furthering a plan for the improvement, sale, and ownership of our properties to the end that harmonious and attractive development of the properties may be accomplished. At a minimum the state laws (CCIOA) and covenants require the HOA Board to do the following:

1. Provide easy access to any and all HOA documents such as financial statements, covenant documents, governance policies, meeting minutes, meeting notices, and any other items as required by the state laws.
2. Uphold **all** of the state laws that include property owner rights to examine all association records, voting in person and by proxy, conducting meetings to be fair and allow homeowner participation, enforcement of policies and procedures, architectural review policy, and many other policies noted in the documents.
3. **Enforce** all of the HOA covenants which include paying dues so everyone is treated fairly with no discrimination. The board has stated that not everyone had paid their dues to date; however, they do not want to enforce payment as they do not want to anger the property owners. Land owners are given a break on maintaining their properties as the board states they cannot enforce the covenants.
4. Provide meeting places and times that are neutral and convenient so everyone feels that they can attend without being inconvenienced. Meetings scheduled for outdoors and on a Friday night indicate a basic violation of our rights as property owners.
5. Provide a **budget** to the homeowners for approval so everyone knows where the money is expected to be spent for the coming year. This is a state requirement that has not been met since the board took office in November 2007.

The HOA Board is being very secretive about our money. There should be approximately \$14,000 per year collected in dues. With the money that was transferred from the CPMG accounts, we should have more than \$20,000 dollars to spend on our community in 2008. All of this money is to be used to maintain and support the HOA taxes, insurance, and common property for Watkins Farms based upon an approved budget by the property owners. The HOA board has asked homeowners to supply their own materials and labor to clean up the community and maintain the open spaces. This would indicate that the HOA board does not have any money in the bank account to pay the expenses required to preserve our community. Where is our approved 2008 budget which is required by state law?

We have to ask the question – where is our hard earned money? We should have a surplus of money in our bank accounts so why has our money not been used to maintain and upkeep our property? If our dues are more than the expenses, the surplus should be refunded to the homeowners. The state requires an audit of the books and records every two years. Since no audit has been performed, we need to require the HOA Board to perform an audit to ensure that everything is "above board", all monies have been appropriately collected and paid, and no conflicts with the HOA Board have arisen. **Our HOA dues have no other purpose than to maintain the community taxes, insurance, and property. Are the HOA Board members using our hard-earned money to pay themselves instead taking care of our business?**

Did you know that you have the right to enforce the covenants as a property owner? Any legal fees that property owners pay in order to enforce the state laws and covenants are reimbursable to the property owners by the HOA. The state laws require a certain conduct of the HOA Board of Directors. They have a legal and fiduciary duty to the association and to its members to act for the association's benefit only and with an eye to its best interests, without regard for any personal interest the directors may have. Courts take this duty very seriously, using expressions such as "utmost good faith." If directors exceed this authority and damage results, the directors are personally and collectively liable for their unauthorized actions. The HOA Board of Directors are responsible to select and support good management; seek the advice of professionals and listen to the advice those professionals give; avoid making decisions solely based on popularity or to quiet dissension among neighbors; and is required to treat all of its community members uniformly, and not make decisions in an arbitrary and capricious manner

We all have become susceptible and accountable to the State of Colorado as **we are currently in a noncompliant status.** There have been too many instances where best business practices have not been applied in the management of our community. You, as a property owner, are accepting the high risk of any state fines, audit questions, and/or other consequences that could be assessed upon the community including further diminished property values.

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