

Saxony Homeowners Association, Inc.

Annual Board of Directors Report November 2012

The Board thanks all owners for your support and attendance at the 2012 Annual Meeting. 21 homes were represented, 15 in person and 6 by proxy. At the Annual HOA Meeting of November 13, 2012, 75% of owners were represented.

The homeowners reviewed the Saxony 2012 expenses and the current bank balances. The Board answered questions on the 2013 approved budget. The Board had already met directly (and by phone or e-mail discussions) with all 28 homeowners to discuss the budget and the justifications for the \$30 monthly increase in HOA fees starting January 1, 2013. The 2013 Budget was ratified as submitted by the owners present.

This year the term of Alan Brown had expired and Mr. Brown offered to run for another 3-year term on the board. There were no other candidates and Mr. Brown was re-elected by acclamation. Subsequent to the Annual Meeting, the Board determined officers as follows: President-J. Craig Holland, Vice President, Alan Brown, and Secretary/ Treasurer, Maria Diefenderfer.

The Board reviewed the items that were accomplished in 2012 and each board member along with our property manager made the following comments:

President Brown welcomed the newest members of the Saxony community: Amar and Vella Amarnath, our newest resident owners. Sean and Erika McCurdy also attended. They are scheduled to close on their new home in December 2012. President Brown also welcomed the return of Beryl and Jose Vallejo after a four-year absence.

President Brown paid respects to two residents who passed away this year: Dave Orlady and Abe Friedman.

President Brown discussed the change in property management and noted how successful Mr. Littler has been since he was hired on February 1, 2012. Dave has proven to be a personal hands-on, on-site, day-by-day manager. He has good rapport and communication skills working with Saxony owners, with our contractors and vendors, and with the Saxony Board. He has extensive knowledge and experience with all Colorado HOA laws and requirements, and excellent knowledge of the full scope of landscaping and water use issues.

Mr. Brown noted the following decisions and accomplishments:

1. Changed the threshold for snow removal from 3 inches to 4 inches and eliminated some hand shoveling areas.
2. Confirmation with Arapahoe County Clerk and Records Office that Saxony has no liability or responsibility for the repair or maintenance of the "Bramante Fence". Arapahoe County has declared the unsightly condition of this fence as a zoning code violation and turned the problem over to the Zoning Division of the Public Works Department. Mr. Alan Snyder is the compliance and enforcement officer handling this matter. He has assured us that the fence will be repaired to acceptable condition. Some work has already been done, but more needs to be done on the south end.
3. Street concrete replacement and repair work was recently completed in specified areas. There was \$5,000 in the 2012 Budget for this work, and the contract for this work was just under \$5,000. There will be some additional work done sealing and caulking some cracks to complete the contract and complete the street repair for this year.
4. Earlier this year hundreds of square feet of sod (installed by GroundMasters in 2011 that was not successful) was replaced at no cost to Saxony because it was originally placed under warranty.
5. We have installed a new Hunter Solar Sync Evapotranspiration controller that adjusts the water out-put at the sprinkler heads based on real time sensing of the rainfall, temperature, humidity, and sunlight. This new control system will be a distinct improvement over the old system. The new system will save us money by reducing water usage at a time when water rates are continually increasing. We also eliminated a number of unnecessary sprinkler heads that were contributing to the over watering problem.
6. Major tree trimming and pruning was done this year following GroundMaster's master plan. Additional work will be done on selected interior trees this winter when those trees are fully dormant.
7. A drainage project in the northeast area of Saxony has been completed. This involved cleaning out and restructuring of the surface system that takes nearly all of the surface drainage from the entire eastern section of Saxony and enters into the County storm sewer system on Dayton.
8. An update of our Reserve Study (last in 2006) has been completed and data from that has been used in compiling the 2013 Budget.

V/P Holland discussed the Board's education through the Hindman-Sanchez law firm. He noted improvements in our insurance coverage, a more specific risk management program, improvement of indemnification for board members and property managers, and better understanding of CCIOA and the Colorado Non Profit Corporation Act. We now have a non-funded retainer with the law firm of Hindman-Sanchez to represent Saxony HOA in any future legal matters. They will work with us closely on review of our bylaws and declarations, which have not been reviewed since their inception in 1994.

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S/T Diefenderfer noted the Board began the year by reviewing all prior available HOA records. This helped the Board become familiar with the process and needs of Saxony, and began the research for the 2013 budget.

1) FINANCES:

Agency for all bank accounts (including those in Georgia) was transferred to Mr. Littler and all accounts were relocated and consolidated into only two accounts at 1st Bank (Reserves & Operating).

The Board changed registration of eligible persons to sign checks. A single signature is no longer accepted.

The Board cashed in our CD 3 months early because the bank no longer was rated. The account was also still registered to Premier Property Management. This bank's holding company has since declared bankruptcy.

2) INVOICES:

Reviewed all invoices, noted late fees, interest and penalties in excess of \$400 that were applied in recent years.

Paid off a tax lien posted by Arapahoe Co in 2009. The tax due was originally \$7.80 but at the time of the pay off, 585% in interest and fees were applied. The lien sold at tax sale in 2009. There is a 3-year redemption period, and Saxony was in the 3rd year when the lien was paid off, thus maintaining ownership of our streets.

The Board re-established our non-profit corporation status. It is not known when or why Saxony lost non-profit status.

3) CURRENTLY ACTIVE CONTRACTS & REQUIRED REGISTRATIONS:

The Board solicited new bids for landscaping service, trash removal, and insurance in order to compare and evaluate costs. We remained with the current vendors.

The Board updated our registered agent with the Secretary of State and DORA, and changed registered agent and mailing address on all current accounts.

4) WORK ORDERS OUTSIDE OF GROUNDMASTERS ANNUAL CONTRACT:

The Board collated all GroundMasters work orders by location and categorized type of work, and interviewed independent contractors who were recently hired to get full descriptions of work done including locations.

5) AGREEMENTS AND POLICIES ADOPTED POST 1994:

The Board reviewed the policies already adopted as required by the State per CCIOA. Two more required policies will be adopted (HB1359 Reserve Studies 2009, and HB 1237 2013 Records).

The Utility/Drainage Easement Agreement with Huntington Pines was located, as well as the Agreement with Huntington Pines regarding the north border fence. The Board has obtained a copy of Bramante (Brook Hollow) original development plan filed with the County, which clearly illustrates Saxony has no responsibility for this fence.

7) OTHER TOPICS OF INTEREST TO BETTER OUR PROCESS AND EDUCATE OURSELVES:

Re-established our participation in ACCORD, an Arapahoe County community interest and development group, and registered on Arapahoe County's voluntary list for unincorporated HOAs.

At Mr. Littler's suggestion, the Board attended free classes for board members at Hindman Sanchez (a law firm specializing in HOA law). This consisted of four classroom seminars, and 11 webinars on all topics related to serving on a board.

NEWSLETTERS and WEBSITE: We re emphasized to owners to use these resources.

DIRECTORY-The Board updated the current owner directory. Due to changes in privacy laws, HOAs are no longer allowed to distribute homeowner contact information without consent. Therefore the Board is putting together a Voluntary Saxony Directory for neighborhood use only. If you wish to be included on this directory, and did not sign up at the recent annual meeting, please contact Dave Littler.

Craig, Al, and Maria

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