

Saxony Homeowners Association, Inc.

MINUTES OF THE ANNUAL HOMEOWNERS AND BUDGET MEETING

November 18, 2015
Koelbel Library Meeting Room B
5955 S. Holly Street
Centennial, Colorado 80111

Roll Call/Call to Order:

Board/management present: Sean McCurdy, Dennis Bierschbach, and Barbara Chamberlain as Board members. David Littler representing Peak to Peak Property Management was also present. President McCurdy chaired the meeting and the meeting was called to order at 6:30 p.m. A quorum was established, with 15 homes being represented in person and 7 by proxy for a total of 22 of 28 total homes or 79%. There was a sign-in sheet for attendees and proxies.

Proof of Notice of Meeting:

Mr. Littler stated that the meeting notice was mailed to all owners on November 1, 2015.

Minutes Approval:

Copies of the November 19, 2014 annual meeting were provided to those in attendance. There was a motion made by Roger Orban to approve the November 19, 2014 Annual Meeting Minutes as written. Motion seconded by Mike Berlin and passed unanimously on voice vote. There were no dissents.

Board Report:

The Board reviewed the items that were accomplished in 2015 and each board member along with our property manager presented reports.

President McCurdy noted the following decisions and accomplishments:

1. The Board maintains an Action Log, where all known concerns are listed by household. This list has slowly but significantly been whittled down from 51 concerns, to 8, as of this fall 2015 (of those 8, 4 are awaiting funding in 2016, 3 are awaiting homeowner action, and 1 is awaiting a final resolution and an approved ARC). The Action Log is updated throughout the year, most significantly following the Board's Annual Visits with homeowners in October.
2. The new Caley Medians have been completed. The Saxony Board engaged in a multi-year initiative to work with our neighboring HOAs, the Cherry Creek Neighborhoods Association, and the Arapahoe County Public Works & Development to address the poor condition of the three medians on Caley. \$84,000 was designated for those three medians, which was granted to the County in 2005 when the SouthTech Metropolitan District was dissolved, but it took years of work (mostly by former S/T Diefenderfer) to get the County to take responsibility.
3. Saxony has new entrance signs. The three lights on the Saxony signs (two at the entrance and one at the Caley/Dayton corner) have been replaced. The flowerbeds for annuals were maintained at both the entrance and interior beds.
4. A number of ongoing and modified landscape improvements were accomplished this calendar year. Saxony continued weekly lawn mowing, fertilizer applications, aeration, irrigation system testing and repairs, and sprinkler activation and shut-down.
5. Tree trimming is a relatively large part of the Saxony budget, and will continue to be so. We are in a multi-year plan to catch-up and maintain our over-abundance of beautiful trees. As in years past, we had three treatments of tree pest control for Pines, Spruces, and Ash. We had a surprise Mother's Day snowstorm that downed many limbs, but Mr. Littler and Davey Tree responded quickly to prune and remove most of the damage.
6. Evergreens generally adjust gradually to the colder temperatures, and the weather caused extensive damage to our evergreen shrubs this year. A detailed Notice to this effect was posted at Saxony's mail kiosk for a

C/O Peak to Peak Property Management, LLC.
PO Box 1808
Castle Rock, CO. 80104
303-884-4912

Saxony Homeowners Association, Inc.

couple months. The Board, Management, and our vendors conducted inspections and evaluations of the Saxony evergreens and shrubs, did some pruning, trimming, and raking of the living shrubs, and determined the plants that were damaged beyond recovery and designated for removal. We prepared a house-by-house list of plants to be removed, distributed the list to all homeowners, we solicited objections to the removal of any specific plants, and then removed the dead shrubs and junipers. If a homeowner sought further removals or replacements, they only need submit an ARC Request. As part of this project, Saxony's rocked areas were inspected and generally refurbished as well.

7. Snow removal is another major budget item at Saxony. We have received nearly unanimous praise from residents for our vendor, Snow Management Services. Mr. Littler received a survey to rate and comment upon the snow removal service last winter, and those who contacted us expressed overall improvement in snow removal. The Board approved a new contract with SMS for the 2015-16 and 2016-17 snow seasons.

8. Concrete repair and replacement is another major item at Saxony. This year we removed and replaced two larger sections, one at each end of the neighborhood, as well as five smaller repairs and/or crack sealing projects. We also removed and replaced two sections of stamped concrete. Homeowners removed and replaced two concrete driveways and one concrete front entrance, at their own respective expense.

9. Saxony completed the painting of exterior doors, garage doors, and related trim on approximately one-third of the homes. These homes were ranked in order of appearance following a comprehensive community-wide inspection. Another approximate one-third of the homes' exterior doors, garage doors, and related trim will be painted in 2016, with the final approximate one-third of the homes' exterior doors, garage doors, and related trim painted in 2017. After this trim/door painting cycle is completed, a planned timeline for the painting of gutters, downspouts and fascia for Saxony will be developed and implemented, in similar fashion, along with continuing the rotation schedule for repeating the exterior doors and related trim painting. All necessary repairs to areas designated for painting must be completed by the individual homeowners prior to painting, so homeowners should submit an ARC Request for repairs early.

10. The stucco walls along Dayton and Caley are the subject of on-going discussion, as repairs and maintenance are needed.

11. Mr. Littler and the Board went through a detailed process of research and discussions with experts to correct common element drainage issues, and the Board has on several occasions sent out check lists to homeowners about ways to diminish the risk of flooding at individual homes (downspouts, gutters, sump pumps, splash blocks, etc.). Mr. Littler has been very helpful addressing any concerns with drainage issues.

12. The Board has again processed a record number of ARC requests, largely due to the hail storm last year. Homeowners must submit an ARC Request for all work to be done on the exterior of any home. This includes any painting, windows (glass only or total replacement) and repairs made to a roof or deck. ARC requests are to be submitted at least 30 days in advance, if possible. We must assure that the appearance of the Saxony community remains harmonious.

13. The Board made individual household visits in mid- and late-October, where we received individual input from nearly all residents of Saxony prior to the Annual Meeting, regarding a number of important community issues, including the possible revision of the Saxony governing documents.

14. The Saxony community is discussing the need for amendment of the Association's governing documents. This is necessary because of the age of the original documents, the changing needs of the community, and new Colorado statutory requirements. This will be a collaborative process with all homeowners over the next year.

15. Saxony's formulas for approved paint colors for Saxony homes are available on the Saxony website.

16. The Board continues to emphasize safety on our streets. We have 10 MPH speed limit signs, stop signs, and children playing signs. All residents and guests must slow down and stop as required.

17. Saxony continues to see major improvements in our water usage. Denver Water audits have shown we exceeded the goals they have mandated for Saxony.

18. Mr. Littler completed Saxony's annual HOA report to the Colorado Secretary of State, and our annual registration with DORA.

19. New owners were welcomed to the community this year, and we've lost a few as well. Community spirit is improving and continues to be a point of emphasis for the Board.

C/O Peak to Peak Property Management, LLC.

PO Box 1808

Castle Rock, CO. 80104

303-884-4912

Saxony Homeowners Association, Inc.

Vice President Bierschbach noted the following financial matters:

1. The operating budget for 2015 should end up positive by approximately \$5,000 vs the budgeted negative \$270 assuming that we don't have extreme amounts of snow during the last half of November and December. This potential favorable variance helps to mitigate the \$3,800 excess spent vs the budget for replacement costs.
2. Replacement costs included the resumption of the painting of the doors and garage doors and related trim for 9 residences (after a few years of not spending for this cost) at a cost of \$5,095. Concrete repairs in the street included two large sections and one smaller one at a cost of \$8,280. Large sections of the stamped sidewalks in front of two residences were in need of replacing at a cost of \$5,440. These items totaled \$18,815 vs the \$15,000 budgeted for replacement costs.
3. The favorable variance projected for the 2015 operating budget is primarily the result of not having to spend approximately \$4,000 for legal and professional fees. After the snow season ended in the late spring of 2015 we were under budget approximately \$8,500 for snow removal, having spent only \$7,000 of the \$15,500 budget. As a result of the May wet snowfall and the toll that the November 2014 sharp drop in temperature took on many of the shrubs and trees, a portion of the anticipated snow removal savings to date were spent in the areas of Tree Pruning and General Grounds Maintenance. Tree pruning spending was approximately \$1,500 over the amount budgeted as a result of clearing storm damage and deciding to trim 5 trees within the interior of Saxony. This was in addition to the planned trim of the Ash trees along the outer wall along Caley. The General Grounds Maintenance spending was approximately \$3,400 over the amount budgeted, primarily as a result of spending \$4,800 to remove the dead shrubs. We were able to undertake 6 miscellaneous landscaping projects within the budgeted amount for this area (two of projects were on the "to do" list for four years).
4. The budget for 2016 was prepared taking into account historical operating expenses as well as attempting to anticipate areas where additional funds should be expended. The homeowner visits that the Board members recently conducted yielded a consensus opinion that there is a need to continue to "catch up" on tree trimming and miscellaneous landscaping matters throughout Saxony. The Operating Budget includes 23% (\$19,780) allocated to these areas. The next largest budget item is for snow removal at 18% (\$15,500), and if it isn't needed after the winter has passed, a portion of the savings could be considered for additional landscaping and tree trimming, as was done in 2015.
5. The \$15 increase in the monthly assessment will yield \$5,040 for 2016, of which \$2,400 is directed to increasing the annual funding of the Reserve Account for a total of \$14,400. The remaining \$2,640 of the increase goes to the Operating Budget, with \$1,500 reflecting the increase in budgeted Legal and Professional fees in anticipation of embarking on the project of updating the Governing Documents of Saxony over the course of 2016.
6. The Reserve balances at the end of 2014 and 2015 were and will be at approximately 70% of the amounts calculated in the 2012 Reserve Study. This level of funding is at the lower end of the range that most Associations achieve in order to attempt to avoid extravagant "special" demands on the homeowners. During 2014 and 2015 amounts expended from the Reserves exceeded the amounts added to the Reserves by approximately \$5,000 and \$6,800 respectively. The 21 year age of Saxony and the ongoing needs for replacements and major Capital Repairs dictates that contributions to the Reserves need to be increased somewhat each year. Colorado law dictates that Reserves are maintained and the periodic Reserve Studies give Associations the guidance as to the levels that should be maintained.
7. The Saxony website contains updated current information including the monthly newsletters, monthly financial statements and minutes of the Board meetings. The minutes and financial statements for a month are posted one month later, after they are formally approved by the Board at the next meeting. The website also contains all of the Governing documents and rules along with Architectural Review request forms and information on the formulated Saxony paint colors.

Secretary/Treasurer Chamberlain noted the following general goals for Saxony in 2016:

The emphasis will remain on providing services and maintaining property standards and elements that contribute to home property values.

A. Infrastructure and Structures

1. The east-side exterior stucco wall is high priority. The wall has been damaged and raised up by encroaching tree roots. Palace Construction's original bid for repair of the wall was over \$40,000. The Board has

C/O Peak to Peak Property Management, LLC.
PO Box 1808
Castle Rock, CO. 80104
303-884-4912

Saxony Homeowners Association, Inc.

requested a revised bid to reflect costs of doing the work in several phases. New bids are also being pursued. In addition to the basic wall repair and replacement, tree root removal and painting will be necessary.

2. The state of the common concrete streets will be monitored and repairs scheduled as needed.
3. Phase 2 of house, garage and door trim painting of individual houses will be scheduled; phase 3 will be done in 2017.

B. Landscaping

1. Davey Trees is in the middle of a 7-year plan for tree maintenance plan designed by an arborist. The trimming and treatment plan is broken down into annual phases depending on type of tree. Trimming generally takes place in the winter months, saving the budget about 10% of the cost. In 2016, however, tree trimming may be scheduled after the trees have leafed out. This will enable the trimmers to remove all dead and low-hanging branches.
2. Areas of dead grass and sunken spots will be addressed, with the input of affected homeowners and advice of GroundMasters.
3. In order to solve certain over-watering issues, perennials, in place of annuals, will likely be planted to fill in the exterior entry areas.

C. Association Governance

1. Saxony's attorneys will be engaged to update and amend the governing documents. This is necessary to clean up many references to the developer and to comply with current Colorado law relative to Homeowners Associations. A draft will be circulated to homeowners with a request for comment. It is anticipated that a vote on the revised documents will be taken at the 2016 Annual Meeting.
2. Fair and equitable covenant enforcement will be continued, including requiring ARC applications for all exterior repairs, renovations or additions.
3. Encouragement of community harmony and communication will be promoted through homeowner visits and a summer social.

Financial Report

The homeowners reviewed the 2015 expenses included in the notice of meeting notification. The Board answered questions on the 2016 proposed budget. The Board had already met directly (and by phone or e-mail discussions) with nearly all of the 28 homeowners to discuss the budget and the justifications for the \$15 monthly increase in HOA fees starting January 1, 2016. The chief reasons for this increase are further restoration of the reserve account and managing the aging trees and landscape of Saxony.

Ratification of the 2016 Budget

Mr. Littler gave a detailed review of the Board approved 2016 Budget. Rob Abramson moved and Roger Orban seconded the motion to ratify the 2016 Budget. The owners present ratified the 2016 Budget as submitted by a vote of 12 to 3. Although 3 owners dissented, the budget is ratified unless a majority of owners present vote for dissent.

Election of Directors

Each year the term of one board member expires. This year the term of President Sean McCurdy has expired. The meeting was opened to nominations for the available board position. Roger Chamberlain nominated Jose Vallejo. Matt Williams nominated Sandy Robbins, and there were no other nominations. A vote was taken by secret written ballot, and by a vote of 12 to 10, Jose Vallejo was elected to the Board for a three-year term. Mr. Vallejo's term will be in effect until the November 2018 Annual Homeowner Meeting.

Unfinished Business: None.

New Business:

C/O Peak to Peak Property Management, LLC.
PO Box 1808
Castle Rock, CO. 80104
303-884-4912

Saxony Homeowners Association, Inc.

1. Mr. Littler distributed a two-page document from Hindman-Sanchez about rights and responsibilities for homeowners and community leaders. This fulfills the annual owners' educational requirement for 2015.
2. There was an open forum for owners at the end of the Annual Meeting. Issues discussed include the depth of snowfall that should be set for plowing (currently 4 inches) and clearance of north-facing driveways; the need for tree trimming and landscape additions or corrections; potentially hiring a landscape architect to draft a comprehensive plan for the neighborhood; repair of the east side stucco wall; creating an ARC sub-committee; and creating a voluntary homeowner directory in compliance with current law.

Adjournment: There being no further business, the meeting was adjourned at 8:07 p.m.

Submitted by Sean McCurdy, and corrected by the Board of 2015 (McCurdy, Bierschbach, and Chamberlain)

Date of Approval: November xx, 2016

C/O Peak to Peak Property Management, LLC.
PO Box 1808
Castle Rock, CO. 80104
303-884-4912