

**Pawnee Hills Community Association  
Board of Directors Meeting  
November 9, 2006**

Meeting was called to order at 7:26 p.m.

Board members present were Tina O'Bryan, Walt Day, Patty Sward, Susan Laessig, Pam Schultz.

AGENDA:

Motion to approve the agenda. Motion seconded and passed.

MINUTES:

We need to approve the July 13<sup>th</sup>, 2006 minutes that I sent to you guys via e-mail. I'd like to make a motion to approve the July 13<sup>th</sup>, 2006 minutes. Motion was seconded and passed.

Tina: I just sent you, Pam, the August 10<sup>th</sup>, 2006 minutes for you to review for the first stage and then once Pam gets through them then I will send them out to you guys. We are a little bit behind. October and November are going to be given to Marji at the same time so she can work them both and hopefully we will be caught up. We really are trying to get caught up. Susan, you had said that with all the old minutes coming out that we are going to be getting done within a couple of weeks here that we don't want to put all of the minutes into the newsletter, you know, the old minutes. We just want the current stuff. And we may want to rethink putting all of the minutes into the newsletter. If you want to continue to do it or just make sure that we put in the newsletter that all of the minutes will be available on the website.

Susan: We do have to make them available for people who do not have the internet--

Tina: Yes, maybe we can put something out to the community that if you need a hard copy of the newsletter to contact us at the clubhouse with your name and address.

Pam: I think two things. I think that when we are so far behind it is a problem to send them out, but on the other hand, I think that it is important they should go out in the mail because a lot of people do read them. I am aware of that.

Board: Okay, and I have had comments--

Tina: And I can go either way.

Board: But I think we need to maybe consider a deadline on when they get out--how old do we send them out is my question.

Board: Well, I understand that it is old but I mean, when it is 11 pages plus the newsletter plus the billing, it gets costly and so that is why I thought we can make them available.

Patty: Let me put another suggestion out. And this kind of just goes out to just have a consistent mailing list. It would need to be maintained, but I personally do not have a problem, at least for the time being, being one of those folks that do want to receive it in paper. We had so many folks that don't have Internet service in this community. And we have a lot of folks who would be perfectly happy to go online and read the minutes there. Save the community money and, I'm sure we have 10 or 15 folks that are not able to get online --you know, creating labels and printing them up is not a big deal.

Susan: That's a good idea.

Patty: And then we just mail them out to those individuals that would like them mailed.

Pam: So, are we going to quit sending them, and probably have to opt in or are we going to keep putting them in the newsletter?

Patty: The problem of opting out is that that is a lot harder to control because for one, if they opt in, it is a separate mailing that we need to do. That is an easy separate mail. If they are opting out, that goes back to how is stuffing done now and, because of the way they are being stuffed now, then I have a way to opt people out. Are you following me?

Pam: The whole mailing.

Patty: Yeah.

Tina: Unless we split the newsletter and the billing.

Walt: I think you save money quicker by having them opt in.

Board: I think you just have an opt in and if they want to receive this month's minutes, just let us know and we will get them to them.

Patty: In the newsletter, you can just put my name and number and they can just call me and tell me and I will just add them to the list and I can call them back.

Tina: Well, we just have to-- we need to make a decision on-- okay, the first decision we need to make is, obviously that we are not going to send July, August, September, October minutes out in the newsletter all at once.

Board: Right.

Tina: Are we okay with that, Pam? That piece of it?

Pam: Oh, yeah.

Tina: Okay, so, knowing that we are not going to send from July to October's minutes all in one shot, the next step is to determine how Susan wants to write in the newsletter that, you know, the July minutes are done, are completed and they will be posted on the website and this is how to get to them.

Patty: And if you would like to get a paper copy, for whatever reason—you can just put my name and number and I can send them the information.

Pam: We are talking two different things so I am okay with that part about not wanting all of them at once.

Patty: Oh I agree.

Pam: Something you and I have talked about in the past, you know, when we send those minutes out, then they have received that information. And so much goes in those minutes that we say later, "Didn't you read the minutes? It was in there" We make decisions here that people say they know nothing about. And if they receive those minutes, I just think it is a handy-dandy tool and we have used it more than once.

Tina: Then we go back to we will post the October or the November minutes, the most current that we have available in our next--if she gets it done in time, or, you know, at the next meeting, but it won't be this newsletter or the one after that.

Pam: They might be more likely to read them than they would if they have to go online and look at them that way. I'm talking for me. As for me, I would.

Susan: I read them online--

Tina: Well, we are getting into 11 pages, 17 pages, and, you know, even taking some of this stuff out, so. Go ahead, Bill.

Bill Curley: ...the sets of conversations and the topics that were raised, they just hit the bullet points and not attempt to be court stenographers. If we were to try to do these meetings verbatim, it would run to 50 pages or 65 pages, and we if back off I think, and kept it so that it was standard minutes format instead of trying to do the verbatim tape on it, which is impossible, it could never get that right. It might be much easier and more effective. It seems to me the reason we are so tardy with the minutes is that it is such a huge task to get them done.

Tina: Bill, it is not. It is more the Board not having time to do it.

Bill Curley: Exactly.

Tina: To do it. But, my point that I want to make is, these minutes being 17 or 11 pages long is really working for me and the reason why it is working for me is because I have sat in court and these minutes have saved this community a lot and there is a difference--and the thing of it is, we can say we will do one set of minutes for, like we talked about, kind of brief minutes, and then we do our--minutes are minutes. What the court is going to accept and what we need to have reflected in this community is what actually happens at this meeting.

Patty: Hold on; let me kind of pick up where Bill was to make a suggestion. I don't have a problem with, because I am following what you are saying, because it helped me out to be able to go back and look stuff up on the minutes because they are so detailed. If a homeowner is really interested in that level of detail, they can get it off the website. We can do a summary. It doesn't necessarily have to be called "The Minutes." It can be a summary of the meeting that is a more traditional minute.

Tina: I agree with Pam. She said they were picking and choosing what goes in and what doesn't go in. I am looking at it this way. All really that we are trying to decide is if--the minutes are going to be the minutes in the end. That is what they need to be because the reason why I say the things that I say and get them in the minutes is so that it is an official--you know, so that everybody knows that this Board is doing their job and that we are taking care of every single thing. We are not leaving anything out. So, I think let's go back to then just saying that our old minutes that we need to get caught up on, and we will, we just had a little glitch, but we will get the older ones on the website and still mail out the current ones with our mailing until we all can come to an agreement on a way to do this because we can talk all night about this. So, we can table this until the 14<sup>th</sup> and think about it.

Patty: I want to table this until the 14<sup>th</sup> because I would like to think about it a little more.

Tina: So, I'm writing down all the things. We are tabling to the 14<sup>th</sup>.

Bill Curley: My information is just the processes. The process, then, is that Walt is recording on a computer as quick as he can, try to get as many words as he can.

Walt: No, sir. That is the way it used to be. Right now we record it on tape and we have a separate party type this up.

Bill Curley: So we are keeping the tape.

Tina: No.

Walt: Once they are typed, the tapes are deleted.

Patty: And that is part of statute, isn't it?

Tina: Yes.

Bill Curley: And then after we have them recorded, someone has got to plug something into their ear and type--

Tina: They transcribe our minutes.

Bill Curley: Selectively what they feel is--

Tina: No. They transcribe our minutes.

Walt: They transcribe exactly what is said in the meeting. That is why we have a separate party do it.

Bill Curley: I guess I haven't read them in a while. Last time that I read them they weren't that, they certainly weren't the transcription of that meeting.

Walt: They have been that way for several months.

Tina: We edit some because--

Walt: We don't take out what they said or anything.

Tina: We don't take out what people say. We do take out five people's conversations at once.

Walt: We take out the "uhs" and the run-ons, stuff like that. We do take that out but what an individual says at this meeting is typed into the minutes.

Tina: If we don't have a motion on the table that would need a discussion then we need to move on, because we are going to end up with a five-hour meeting.

Stephen: Another thing I was going to say is make a tape and put that on the website to listen to.

Tina: Absolutely not. We cannot legally do that.

Tina: Okay, let's everybody think about what we want to do about the minutes. There could be something that we send out in the newsletter that people can fill out and return saying, "Yes, I want my minutes electronically" and then let it go. So, people have a choice but if they don't--and that is something, Patty, you can work on. I'm putting your name next to that one.

Pam: Well, why don't we wait until the 14<sup>th</sup>?

Tina: Yeah, I know, but if she comes up with some little thing that you can fill out or send it. Okay. Sandy has a question.

Sandy: Well, it is just that maybe we can write that up as a request when we do our next directory. Information, we can put that into the directory. Doesn't that need to be sent out soon?

Tina: Well, that's the thing that Walt was going to look into to see if a real estate company would do our directory for us, so that could be something we could--another way we could do it. But for now, this is the

way we are going to do it. The most current minutes go into the newsletter and the rest of them go up online--

Pam: Are we deciding that now?

Tina: We will have to decide where we are at when we are ready to do the newsletter. Whatever closest newsletter we are at is what we are going to post.

Tina: Susan has got to have this information for the newsletter, you know, she doesn't need to be waiting for it.

Board: Communications from community members: I don't have any. Sandy, did I miss anything from community members, any mail coming in?

Sandy: You surely must have. That would be a first in a month.

Treasurer's Report:

Sandy: Our bank balance: Checking account is \$784.32, Savings account is \$8,112.01, the Reserve account is \$11,932.72, Unpaid Dues is \$3,004.02, CD #1 is \$5,107.91, CD #2 is \$5,055. 78, CD #3 is 5,055. 78. Total deposits were \$7,108. 71.

Sandy: Okay, we got the results back for our bookkeeper RFP. We got two of them. The third one, I spoke with them today and they haven't had it put together and if we wanted to extend the deadline, I can make it tomorrow morning and they can finish it up.

Board: If they would have it by the end of the week or Monday, it is fine with me.

Tina: So, do you guys want to do this on the 14<sup>th</sup>?

Board: Let's do this on the 14<sup>th</sup>.

Tina: Okay, I make a motion that we open up the --okay, let's make two motions. I make a motion that we extend the deadline to the 14<sup>th</sup> to get the RFPs or the bids from the accounting services to us. Do I have a second? Motion was seconded and passed.

Pam: I have a question. Did they indicate to you why they hadn't submitted their bids on time?

Sandy: Actually I only got technically one bid on time.

Pam: I mean, did you have to call them or did they call you and ask you?

Sandy: No, I called them. I got one bid on time, I got one bid one day late which was today. The other one, I didn't get it all so I called them and they said--the person that answered the phone said that they gave that information to somebody else. They had gone for the day so they called them at home and they called back--because I asked them, I said, "Is there something you can e-mail me tonight so I've got something in hand" and they said, "No they can't." So they said, "Sorry." I said, "Well, I'll see if we can extend the deadline or something." They said if you do, then let them know Friday morning because the person who is putting it together only works at the Elizabeth office two and a half days a week. They are at the Castle Rock office the other two and a half days, so they happened to be in Elizabeth Friday morning.

Pam: Well, we will just keep that in mind when we look at the bid.

Tina: The second motion I need to make is that we will go ahead and open up the bids on Tuesday the 14<sup>th</sup>. Motion was seconded and passed.

Pam: Can I see the attorney bill? The one from last month.

Board: Well, you mentioned one from Mulvihill as well, didn't you for several thousand dollars.

Tina: Did she send you the e-mail, the one that she had to fix? There was a mistake on Mulvihill's bill and Sandy hand wrote all of the changes, scanned it and sent it out.

Pam: I would like to see where it went.

Tina: She fixed our bill.

Sandy: The first one that they had sent us was, again, billed incorrectly and everything. They have resent a corrected statement which is more of an amount than the original but the bottom line is, we are either paid up totally or we overpaid by \$5.21.

Tina: Yeah, and Sandy went through all of that and got that fixed and sent it back and I don't know if I have got a copy here or not.

Sandy: I haven't heard back from them about the \$5.21 and I am assuming that on the next bill it should show the correction. Hopefully it won't come in wrong again. But that one was big because of a lawsuit.

Pam: Was there any declaratory judgment billing on it, I guess, is what I am wondering about?

Sandy: Yes, there was and then there was also other legal stuff.

Tina: We had talked about the declaratory judgment, putting it on hold so that we could do the vote, not this vote but the last vote. Okay? What we put on hold was the town hall meeting and David writing the letter out to everybody calling a town hall meeting.

That is because that is what the Board was aware of.

Tina: Right, what we were aware of. I have spoken with Cheryl because a couple of things have happened with the understanding that we have what we consider a case in being which means the declaratory judgment is in court right now. There is a case in being. It exists. This Board would have had to vote, make a motion and vote, to remove that case in being in order to stop the declaratory from happening.

Patty: Okay, hold on. You are about two steps ahead of us. So let me see if I can restate what I think you just said. Because the case was essentially already in being and there were items happening in court we could not necessarily stop those without literally basically throwing in the trash can all the money we have already spent.

Tina: Right.

Patty: Is that the bottom line?

Tina: Right.

Patty: Here is my concern. How come we did not know what was happening--I don't have an issue with that. I think it is perfectly sensible for us to continue. My concern is, I had no idea this stuff was happening.

Tina: The Board had the understanding that David Rolf was not going to send out the town hall meeting letter.

Pam: That wasn't the Board's understanding of it. At the meeting that we had at your house, we were told that everything would be put on hold. Everything.

Tina: Yes, and I called David and I said that everything is being put on hold because we are going to be voting on this issue and what happened was, like I have told you guys 100,000 times before, is that this Board cannot stop anything from happening. What has to happen is, we would have to go to Chuck Nichols and we, as a Board, tell him that the declaratory has stopped, then Chuck would have to direct David--

Pam: You told me that Chuck Nichols told David that everything was on hold and you were going to--

Patty: Let her finish.

Tina: So, everything was supposed to be on hold. And it was on hold. David didn't write the letter. Everything was on hold. I didn't know that, and timing-wise--we have to really sit down and look at the dates of exactly what had happened, but timing-wise, did we know that the judge was going to come back and deny the class action? No, we didn't know that. Did we know that David was going to turn around and ask for a clarification of why the class action was denied? Did we know that the next step was going to be that Cheryl and David get together and create a motion for reconsideration giving Judge White 45 days to come back with an answer? I just found that out.

Pam: You are missing my point.

Tina: And then we just found out that it was granted. We just found that out today.

Pam: You are missing my point.

Tina: That the motion for reconsideration was granted, so now we are back on for the class action suit. The conversation that I had with Cheryl was that David had filed for the motion for clarification and that we were denied. Cheryl wanted to know why we were denied. The judge came back with the reasons why we were denied. We were right then and there dead in the water for a class action. I picked up the phone and said, "Cheryl, where are we at with this?" First I called Chuck and said, "Chuck, have you heard from David because I wanted to know what is going on with this." They denied our class action. What do we do now? Chuck said, "I haven't heard anything from David." I said, "I'm calling Cheryl." I picked up the phone. I called Cheryl and said, "Where are we at?" She said, "I am going to find out from David what is going on." Is he going to file for an appeal? What are our choices? What do we have now? Cheryl called me back and tells me that the two of them got together and did; it costs about \$100, a motion for reconsideration to get this class action done. Cheryl said, "I am trying to keep you all out of court. I am trying to do the least expensive thing that we can do." They both felt, as well as their colleagues, that the court had made the wrong decision on not allowing us to do a class action. If the class action had not gone through, we would end up having to serve every homeowner in order to do this declaratory judgment. If we would have had to serve every homeowner, our option would have been to hire a higher server to get us a bulk rate to do a mass service charge of say, \$5,000, to hit all the homeowners and everybody that has their name on the title of their home, it would cover everything. We have got about five people that are out of state so we would have to do Florida and California I think also. It is usually about \$30 per service plus travel and Cheryl said the travel wouldn't be too high because we are all in the same area, and that we could possibly do some sort of contract with that service company to deduct for everybody that they didn't get. We then would have to turn around and find somebody else to do the remainder of the homeowners we did not get served. If a person didn't either sign a waiver of service or that person didn't get served, then they don't have to follow the rules as everybody else and that would have been a real mess. So, backing it up, she said our choices are (1) to do the motion for reconsideration and try to get this thing done as a class action suit, (2) appeal the decision of the judge regarding not being able to do it as a class action suit, (3) serve everyone in this community or (4) drop the declaratory and then go after everybody that has commercial activity, which would be a nightmare. If he wouldn't have let us do this motion for reconsideration, if he denied that piece and we were dead in the water trying to figure out what to do, we could appeal that

decision and the benefit to that would be to buy the Association more time to figure out or to try to get a vote in and to try to get this thing done. So, we can talk tonight about what our understandings were at the time, where the miscommunication breakdown was, why did Rolfe did this, why did Cheryl and David got together and did this motion for reconsideration. We can talk about this until the cows come home. Do I have any answers to this? Absolutely not. I can say right now that I thought this declaratory judgment was going to be the easiest solution to our 1998 nightmare. I thought this was going to be easier than fighting chickens and fighting fences and this has ended up being a year and a half of sheer hell for this Board. I am upset and I am angry that a previous Board made such a mistake and I am saying right now that I am bound and determined to get this thing solved because I do not want this Board or a future Board to have to be in the position and the mess that we are in now.

Patty: Okay, so bottom line, to kind of take two steps back to the original base of the conversation. We asked for forward movement to be stopped on the declaratory judgment while we attempted to get a vote through. In the meantime, with what was already existing in the court, there was movement.

Tina: Yes.

Susan: I think that the issues that I've got right there is, 20/20 hindsight, I personally do not have a problem with not hurling the money that we have spent into the trashcan. I don't have a problem with the decisions that were made. I have a problem with this Board not being informed. I have a problem with the Board being surprised. I have a problem with Chuck being surprised. I think that is an issue that needs to be addressed very strongly and very clearly. I don't want another surprise. Period.

Tina: Well, that is why I called Cheryl. Now, right now, is where we stand. I made a phone call after I got the motion for reconsideration, I picked up the phone and I called Chuck, let him know what was going on and I asked him to call David and he said, "I'm really busy right now, can you do me a favor and call him?" I said, "Absolutely." I picked up the phone and left a message--because David was aware that we are having another vote December 4<sup>th</sup> and that there wasn't supposed to be any date set up for town meetings or any letters to be sent out. Nothing.

Board: No motions?

Tina: No--nothing. Okay?

Pam: We were being asked to make a decision.

Tina: So the next thing I did was leave a message with the secretary telling her that the December the 4<sup>th</sup> meeting vote was happening. I said after December 4<sup>th</sup>, most likely this Board is going to be setting up dates; we are going to have a town hall meeting. I want to get this thing done, because we will be throwing money out the door. If we don't continue with this we will be throwing money out, especially because we fought so hard to get where we are at right now. So, I left her a message to say that. So, we have to decide what is going to happen after December 4<sup>th</sup>. Obviously, if the vote goes through, then great. If not then the next step is to go forward with the declaratory and--I mean, we can still try again in January possibly, I don't know. This one in December will be our fifth vote. I don't know what other way we can do it. We can postpone it but if we as a board has to vote to stop it. If we stop it then we have to deal with the one violation that is pending and the many more to come.

Patty: We basically have two choices. We can try, to the best of our ability, convince our homeowners to vote on this stupid thing so that current homeowners that have home businesses are protected. Future homeowners have the opportunity to create those home businesses within the county regulations which are relatively reasonable, or we can walk away from the declaratory judgment and end up not protecting homeowners and I, personally, hate spending money, I don't want to go to court again. However, if this is going to be the only way we can protect those homeowners in existence, who are making their livelihood in

this community, then that, I think, is the right decision to make. Our homeowners are grown-ups. They have the opportunity to vote.

Tina: Well, that is what I am saying. We are not even close not now and not in the future of getting this passed. If we were even close, we would be jumping up and down saying let's give it another shot. I think this Board would be going in a different direction if our vote was even close, but we are not.

Susan: I think, though, that we need to just, at this point, see what happens on December 4<sup>th</sup>. It is really hard to sit here and say this is what we are going to do on December 5<sup>th</sup> so that it doesn't go through because it could very well happen that a lot of people show up, we get 111 people show up, and the majority say we want to see this vote go through.

Tina: And I am just saying that we need to think about what we are doing after December 4<sup>th</sup>.

Stephen: We won't have to worry about all of these lawsuits after I get all these votes in here.

Tina: Well, yeah, if you can get 112 yeses, absolutely.

Pam: I still have a little confusion. My confusion is simply this and I think you have already said it but I want to reiterate it, that I felt very comfortable two months ago at a meeting we had when we said everything has stopped, everything is on hold, yes, the attorneys will be told everything is on hold. Now, apparently, something didn't happen correctly. So you are telling me tonight that you called and told them everything is on hold. Big deal. We told them that two months ago and--

Tina: Then what I am going to have to do is call Cheryl and say this is where we are at with this because, to be honest with you, this Board really can't put this on hold. Chuck has to stop it.

Susan: I understand that, Tina.

Tina: My understanding was that nothing was going to happen but do I know that law and did I know that there was a case in being and that one thing falls into another? I didn't know that.

Patty: I am surprised that that is all you need to say.

Tina: I think what he put on hold was the letter. There was a misunderstanding when I said to put it on hold; maybe he thought I was saying put the letter on hold.

Patty: Doesn't matter. He needed to have a very clear understanding--

Tina: And he is not driven by the Board.

Patty: Yeah, but listen, everybody needs to understand, nobody is going to be surprised again. Period, end of story, no conversation.

Tina: And I would have preferred that we would have known that this was even happening...

Susan: Can I make a suggestion then because it hasn't really gone well. Can this go in writing to the offices because I do not want surprises. I do not want to tell people in this community that we have got everything stopped and on hold and then I see motions coming through. It is quite embarrassing. It is quite frustrating--

Tina: Then we will have to have the Board and Chuck sign off on a letter to the attorneys. I mean, someone has to draft a letter.

Patty: I will draft a letter.

Tina: So Patty, you draft the letter and have Chuck look at it and we will send it off to David and that will be that.

Susan: And a copy to Cheryl.

Tina: And a copy to Cheryl.

Walt: A couple of other things too. I mean, the judge could deny it again. The judge could deny it a second time.

Patty: Sure.

Walt: It still is going to cost us more money. It is not paid for in full so the money we are throwing away, how much more are we going to throw away, and then if we do go through and this thing finalizes, does it really protect our community? I mean, it really doesn't.

Patty: No, all it does is--

Walt: It just a temporary Band-Aid and a vote over rules it if we ever get a vote. So, I mean, it doesn't really protect anybody, so we could--I mean, you could be spending more money to get nothing.

Tina: Well, we are going to get something in the fact that--even though you say it puts a Band-Aid, it is a pretty good one.

Walt: I think we would still be open to lawsuits and still be--

Tina: You know, maybe, but we are doing our due diligence and we are doing the best that we can as a Board.

Walt: I don't think we are doing the best that we can.

Susan: I don't think we are.

Walt: I mean, I don't think a declaratory judgment is going to be the best that we can. I think the best that we can do is get a vote. That is the best that we can do.

Tina: Oh, okay, I take it back, you are right. The best that we can do is get a vote and--

Walt: We are putting Band-Aid just like they did back then.

Tina: I do not want to sound cynical but 80 is not good enough for me, guys. I need, you know, we are not close. If we were closer, I would be happy but we are not close so I am not happy.

Susan: Can I say that since Steve has offered to volunteer to help, it is going out in the newsletter, Steve has also put together a letter that I have looked at that he is getting ready to post at the mailbox shelter asking for— where you let him know if you are going to attend the meeting and he will be hand walking these proxies. Otherwise, he is coming up your driveway and he is going to see if he can hand walk and get these proxies. So if anybody wants to help him, it would be like, delightful.

Stephen: We went through that the last time.

Susan: I know you did.

Stephen: And people said to me--you go up to people's houses and they are going to just say that they are going to the meeting.

Susan: And that is a good point to bring up because my husband said that to me last night. A good point, almost like you have got to have the proxy and say--I think you almost have to say, "I understand you are going to the meeting but just in case something happens, would you like for me to grab your proxy now." I don't know.

Tina: And if you attend, we will just set your proxy aside.

Bill: There are a couple of problems here. First, the covenants are fairly clear about what it takes to change a covenant.

Patty: 112 votes.

Bill: And it is not a secret vote and it is not a proxy. You have to sign an instrument to the effect that you want a particular covenant changed. You have to sign it. Your name has to be on the instrument. That is how we pursued the thing with the covenant. We were very careful that it is legal. That is how it must be done. So you cannot do a secret vote and run a bunch of proxies and expect that to fly because guess what? What I just heard tonight has stripped me of any will whatsoever to help you in this insane transaction.

Tina: Okay, wait a minute, I don't understand what you mean by not being able to do a proxy in a secret--you have to do it by secret vote.

Bill: You cannot do it by secret vote.

Patty: Statues have changed and statues overrule covenants.

Bill: You bring me chapter and verse on the statute that says--

Patty: Sure. I will.

Bill: That you have overwritten the covenants and I will pay attention to that.

Tina: Okay, nevertheless, it has to be by secret ballot and we are doing it by--

Bill: That's one issue. What I am saying is, you can be challenged on that so don't be surprised--

Tina: And that's fine. That's fine. We are okay with that.

Bill: The other issue is that what I am hearing here is that transactions involving homeowner business and homeowner funds are taking place without motions of the Board and in private, not public meetings. This is a serious no-no.

Patty: When does it happen in a private meeting?

Bill: Let me see, uh, in that meeting at your house--

Tina: We had a working meeting but we--

Susan: We didn't make any motions at that meeting. That was just a working meeting.

Bill: It is business. It is Pawnee Hills business and may not be conducted in private. Now--

Tina: We can have working meetings.

Bill: You did transactions without the knowledge of the Board. Without the knowledge of the Board. That's a problem. Do we want to be made transparent to the rest of the community.

Tina: That is what we are doing right now. That is what you are listening to right now. That is what you are going to see in the minutes. This whole conversation is going out to the whole community, Bill. We are not hiding anything. This is out here.

Bill: I have never known a lawyer to conduct business on the behalf of a client without instructions from their client to transact their business. That isn't how they work.

Tina: We aren't the client, first of all.

Bill: Okay, now, this has never been explained to me or to anybody else near as I can tell.

Tina: It has been.

Bill: I have never seen it in the minutes.

Tina: It is in the minutes.

Bill: What is our relationship-- our financial relationship and our legal relationship with Chuck in this matter. Are we paying his lawyer?

Tina: Yes.

Bill: So we are paying Chuck's lawyer to sue us? And then we are paying the same lawyer to defend us?

Patty: No. It is a different lawyer.

Bill: Different lawyer?

Tina: Different lawyer.

Bill: It is entirely in Chuck's hands whether this goes forward or not?

Tina: No, it is the Board and Chuck together.

Tina: We have talked about the declaratory and I don't know but we have so much business to get through and we have talked about the declaratory, we have talked about the --

Bill: You need to talk about the business in front of the community right now.

Tina: We are. And we have explained to the community why we did it as a class action as opposed to serving 300 and some odd people, why the class action suit-- why we needed a homeowner. Didn't matter who it was and we were very grateful that Chuck actually stood up to put his name on this so that we could do this as a class action, so, you know, I think we have gotten through what we need to tonight on this piece of it.

Susan: Let's just let Bill ask his questions. I feel like we are cutting him off. I understand this could go a little lengthy, but I don't want to cut off a homeowner.

Bill: This is something I have never had satisfactorily answered, if I may. What occasioned the crisis, and don't take me back to 1994 because we--

Tina: 1998.

Bill: Whatever. I remember all of that, by the way, back then. We have been living for years without a crisis and now we have one so I want to know exactly what triggered the crisis. What event. Who sued who?

Tina: It was the Haans.

Patty: It was the Haans?

Tina: Yes.

Bill: The Haans set it off?

Tina: We have a covenant violation against commercial activity against Mr. Steve Richardson.

Bill: And is that the only one?

Tina: So far.

Susan: Can I ask a question because I am not familiar with that letter. Is it regarding commercial activity or home occupation?

Pam: Commercial activity.

Susan: Okay. Because commercial activity per Elbert County zoning rights is not even allowed in the subdivision. Home occupations are and they are a form of commercial activity but the County is looked at different. Commercial activity is not even allowed in the subdivision so we have to be very careful with how we are having to use the verbiage here because we may have home occupations existing as far as I am concerned but we don't have commercial activity per Elbert County. I am not looking at Cheryl's definition. I am looking at the county and what the county says commercial activity is and what the county says home occupations are. We have home occupations going on in this community. There are people that design websites. There are people that might keep books. There are people that have other types of businesses that are considered via Elbert County Rules and Regs home occupations. Those are allowed in this subdivision whereas --

Patty: Not by our covenants.

Susan: But not Elbert County Rules and Regs.

Bill: And how do we feel about that?

Patty: Stop.

Pam: What she is saying that there is a distinction between commercial activity and home occupation--

Susan: That is what I am saying that the county says no commercial activity but if you go by the definition, you can have home occupations.

Patty: Our covenants do not in any way give an exception.

Patty: We are saying home occupations are not defined as commercial activity.

Patty: That is county. Our covenants say no commercial activity.

Susan: Right.

Patty: Period.

Susan: They are saying home occupations are not commercial activity.

Patty: It doesn't matter. Our covenants aren't defined.

Bill: Procedurally here, did we follow the--did the Board follow its standard stated procedure in the case of the Haan's complaint against Steve? Did we send them a letter? Did we --

Patty: I don't know that was before my time.

Susan: That was before my time.

Bill: Did we do any of that stuff?

Patty: We don't know. We weren't on the Board at the time.

Bill: Your stated procedure--

Tina: Okay, if you stop talking I will tell you. Okay, well I'll wait until you are done.

Bill: We will always start by allowing the party against whom the claim is lodged a hearing. And they must bring themselves in compliance inside a certain period of time or we will send a letter from the lawyer. Was that not done?

Patty: Not until we defined the covenants.

Bill: Did we pursue that complaint? The way we say when we lodge a complaint? We told all the homeowners this is what we will do if you prove this case.

Tina: Are you done?

Bill: Yeah.

Tina: Okay, as I have explained before, what had happened is that the commercial activity covenant violation was submitted to the Board of Directors at the same time that we were in court with the Haan case regarding the chickens.

Bill: So you didn't pursue it!

Tina: Okay, you know what? I'm not--

Pam: Did you write Steve Richardson a letter or not?

Tina: No. But there was a reason because we had already filed a declaratory judgment. We had already filed for a declaratory judgment regarding that situation so that is why we are not doing anything with it

today is because we have a case in being regarding the declaratory judgment which is regarding commercial activity. To be honest with you, there is no violation happening yet.

Bill: So it just dropped dead. If a particular homeowner was pursuing an activity that was in violation of the covenants and knew it, that homeowner was given--those homeowners were given--they have special treatment.

Walt: No.

Bill: Because we initiated a proceeding to stop our standard procedure, our standard practice in pursuit of the violation of the covenant and we spend all this money trying to rectify the situation so that those homeowners are not in violation. In the case of the chickens, however, the sky is the limit. We don't try and protect those homeowners. We don't try and change that covenant.

Tina: Okay, it was because in 1998 we didn't have a confusion bylaw covenant chicken mess. We have a bylaw covenant commercial activity situation. I mean, you want to keep going, Susan, or what? I mean, can we wrap this up?

Walt: We asked Steve if he was doing commercial activity and he said no.

Patty: Let Walt talk.

Walt: We asked Steve if he was doing any commercial activity. The homeowner came back to us and said he was not doing commercial activity. Unfortunately, we asked other people about chickens and they came back and said, "Hell yeah, we have got chickens."

Bill: And is Steve doing commercial activity?

Walt: He has never been turned in again since that point so I guess if you want to turn him in, you can write it up and turn him in, I mean, I don't know.

Tina: We have one on the books which we have--

Walt: You know, this Board does not investigate the community to see if there is somebody doing commercial activity.

Tina: You have asked me what got this whole thing started and I will tell you it is because we have right now commercial activity violation on the books right now.

Bill: With what?

Tina: Steve Richardson. That is what started the whole thing.

Bill: And that is the single one that has ever been broken?

Tina: As of today. I can guarantee you if we drop this declaratory we would have at least 50 or 60 turned in.

Pam: I hope you are absolutely wrong about that.

Bill: Now, at this point--

Tina: Do you believe it?

Bill: This point, I have had many times before I'm afraid and I will make it again because I really do believe this is a sensible approach to the problem. There is nothing on the statutes that I have seen that obliges this board to sue anybody. Anybody at any time, the Board chooses to do this. If the Haans want to pursue commercial activity, let the Haans do it. Why are we going through all of this? We do not have to sue anybody. There is nothing in the covenants that says we have to sue anybody. Nothing.

Tina: Okay, Steven, go ahead.

Steven: I have a couple of issues. Talking about Steve Richardson, when was he turned in?

Walt: Last year? I don't know.

Tina: He was turned in on April 25, 2005.

Steven: So in May we had a meeting where it came up at the Board meeting and the complaint was read at the board meeting, right?

Tina: I'm sorry?

Steven: The complaint was read at that Board meeting.

Tina: I'm sure it was. If not, basically what happened is that he wrote the letter 4/25/2005 regarding commercial activity, Article 5 paragraph 13 and fencing Article 6 paragraph 2.

Steven: Was it '05 or '06?

Tina: This was in '05. The letter is from Haan regarding fencing issue, regarding commercial activity, Board of Directors will have to have our attorney file a court action to request a declaratory judgment because we don't know what to do with that piece. So, a second request on March 13 of 2006 was sent by the Haans and on 4/23/2006, a draft letter for the Board of Directors to review before mailing to Greg Haan explaining that a declaratory judgment will be filed with the court and this violation will be put on hold until we get a judgment from the court.

Steven: Okay. My second question was if I remember right, our meeting, we had a homeowner's meeting the second one in July. As far as having everybody was saying that the second declaratory judgment wasn't going to be doing anything. We needed to get the people out here to vote to keep this from happening in July of this year, 2006, right?

Tina: We have just been trying to solve the problem without having to do a declaratory, yes.

Steven: But what I am saying is, in June, and up until July every time we came to a meeting, people were saying we need to get in here and vote on this and prevent this from happening, right? That was my understanding.

Tina: Yes.

Steven: And we were going to stop this by having enough people in here at the end of July at the homeowner's meeting that it wasn't going to happen. It is my understanding--

Pam: It was supposed to have been put on hold.

Walt: The vote was to supercede it .

Tina: Yeah, the votes were supposed to supercede it but then we didn't get it so we continued.

Pam: No, we continued before. That was the problem.

Stephen: That's the problem.

Tina: Oh, okay, alright.

Stephen: It was filed June 22.

Tina: So, yeah, are we saying that there were mistakes made? Absolutely.

Stephen: Right, well that's--

Tina: I mean, you know, I can tell you this much, this Board would not be making the mistakes today if the Board in '98 didn't make the mistake they made back then. You know, it happens. Mistakes happen. This is what I am saying. We are a bunch of volunteers trying to do the best thing that we can and until I have homeowners that are going to step into my shoes and do as much work as this Board does and has done in the past, then--

Stephen: That is what you volunteered for.

Tina: There you go. You have what you have.

Stephen: I sat down, I read the covenants and I saw that in here that it was a bylaw change and, you know, I am just a homeowner.

Tina: Then why didn't you bring it up to the attention of the Board?

Stephen: You are the board. You are supposed to know it.

Walt: Where does it say that?

Bill: That the board is supposed to know the covenants?

Tina: I bet I can get at least 300 people in this community that haven't even read the covenants so there you have it.

Bill: Why do we force the covenants down their throats when we don't have to?

Stephen: I knew that this was a bylaw change. I read the covenants and I know the covenants takes precedence over the bylaws. The stuff that superceded the covenants is null and void, it doesn't mean anything.

Bill: If I may just make a testimony here to the best of my personal feelings...my personal feelings are and always have been that we need to rewrite the covenants to reflect how this community lives.

Patty: I agree.

Bill: My strongest feeling because what is happening as a result of this insane policy with going immediately into litigation which, by the way, is a violation of state law, or at least it is a violation of the recommendations of SB-100, to go immediately to litigation, has been the source of enormous contention in this community. Is the place a happier place because we instituted that policy? Are people happier? Are they more unified? Are they more together?

Walt: We don't immediately go to litigation, Bill. We can't.

Patty: It feels like that probably but-

Walt: We can't. We have to send out letters, do a communication according to the bylaws. They choose to go to litigation, not the Board.

Patty: I want to give Bill an answer to a previous question. Susan was kind enough to pull the statute 38-33.3-310 vote by proxy, item #1 to vote on any matter affecting common interest community on which all unit owners are entitled to votes shall be by secret ballot. So, those two pages are regarding that issue.

Bill: What is the statute?

Patty: I will get you a copy of it.

Bill: It is actually anarchy, has always been and that is why we went out and tried to change the covenants to reflect what the community wanted to do.

Pam: So, just to make sure I understand what you are saying, the Board should abandon the covenants basically?

Bill: The Board has no obligation to enforce--

Pam: So you are saying we should abandon the covenants?

Bill: I'm not saying that.

Pam: I mean, you can't--if you don't enforce them, then you are abandoning them, aren't you?

Bill: No.

Pam: You're not. Okay.

Bill: They are always there in case you have some kind of totally arpeggios example.

Pam: But Bill, you can't have it both ways.

Walt: At whose discretion?

Bill: The Board does pick and choose.

Walt: The Board is not picking and choosing.

Bill: We are spending thousands of dollars to protect a particular kind of violator.

Susan: That is because of what happened and you don't want to go back there but that is because what happened. And we can talk this all night long, Bill, and you can bring this up at each and every meeting, however, the point we have to somehow figure out how we are going forward. No, we don't like that things went on that this Board didn't know about with our attorney. Yes, we want that corrected. This is not an easy job. It is no fun to just be berated.

Bill: No it's not--

Susan: No, just let me finish, Bill. But it is no fun seeing a lot of people just coming at you, coming at you, and I would do this and I would do that. The point remains is that we have to fix this the best that we can. The only solution that we have that will totally fix this is to get the vote through. I understand that you don't want to help because you are mad or you don't like the way the Board has acted and a lot of other people in the subdivision. Is that helping community in the subdivision? No, it's not. It doesn't help community spirit when everybody sits down and acts like they are in middle school with middle school dramatics. It doesn't make any sense. People that own homes out here are supposedly adults and we should be big enough to realize that a mistake has been made. What can we do to fix it that will be in the best interest of everyone, not just for the people that might be doing home businesses because this is home occupation. This is not just somebody that might have a shop or whatever. This is home occupations. This affects website development. This affects Avon. This affects Pampered Chef. This affects anything that generates income into your pocket that you do. So the best thing, in our opinion, and the cheapest thing is just to get the covenants changed to reflect that and at that point, then maybe we can deal with the chickens and the other stuff, but we can't deal with that until we get done here and I'm done. Thank you.

Tina: Thank you, Susan. That was great.

Susan: I have been on this Board for just a few months and I am sick of the way things go and everybody sitting up here will tell you because I don't get it. I don't get why people can't act like adults.

Bill: There is nothing childish about defending your financial best interests.

Susan: And that is what we are trying to do at this point--

Bill: There is nothing childish about actually proposing what I think are valid solutions. I had another one to propose.

Susan: Propose it in 30 seconds or less.

Bill: If what we need is more time to sort this thing out and get the community on board, because I think, I've got to tell you, it is just another vote. People are getting more and more turned off.

Tina: Bill, we have tried-- we have been doing this for a year and a half. This is our fifth vote.

Susan: We know that. What is your solution?

Bill: I think that we ought to, as a community, decide that the covenants need to be rewritten --

Tina: We can't even change equine. We can't get 112 people to change one word.

Bill: But if you approach this not as an isolated incident, in somebody saying "I just want to have chickens", but approach this globally as something the community needs to do for itself, for its own future, for its own protection, and present it to the community as something that is an important global solution that hopefully keeps us from constantly hammering up against the same problems.

Patty: I think Bill has a really good point. I think the concern I have and I have told you this before, I think it is the reason that the covenant change that you both put through failed before when we tried to do a large number of items with one vote, I think that vote gets intimidated and irritated. I think when items are broken into small chunks so they can vote yes or no on, one item whether six chickens, a yes or no, four goats, yes or no, that kind of thing, I think that is more successful.

Bill: But you have never tried.

Patty: No we haven't tried.

Tina: Wait. We have tried. We have tried. Okay, guys. We have a hundred things to get through and we are not leaving because you are going to stay here until we get through them all. I'm making you guys stay.

Patty: I have got to go. I am an election judge. I physically feel exhausted. I am 60 years old. I can't do this.

Tina: Okay, we are going to move on. Real quick like. The next thing we have to talk about is recouping our attorney's fees regarding the Linda Lee court case. We should be getting an answer here soon regarding that and most likely we will get everything back on that one. Same with the Beireis case.

Walt: It was \$4200 or something?

Tina: I can't even remember.

Susan: Did she send something back to the judge, a response?

Tina: Basically, what we have got going on right now is that we have got a new judge and she is going to contact the clerk, the judge's clerk, and have him just do a rubber stamp. That is basically all we are waiting for. So both Beireis and Linda Lee should be all of our money back on that one.

Tina: The other thing is that the Bob Roland--I'm sorry, I'm so tired and I am getting wound up. Let me stop myself here. The Bob Roland filing for court case situation is going out this week. Basically, it is not really filing for court, it is basically saying if you do not pay "x" amount by a certain time, we are going to court.

Susan: It is a demand letter?

Tina: It is a demand letter. And it is a short period of time. I think they only get 10 days if that.

Tina: Susan sends out two and Cheryl gets the third. So, lien has been filed and this letter is going out this week. It has probably gone out already from what I am talking. The Bennetts, that has already been taken care of as far as filed and stuff. They are in foreclosure so that is going to be a little bit different. And we have gotten some information regarding super lien debt on them. So now, that information has been passed on to Susan, which then gets passed on to Cheryl. The likelihood of us getting the money back regarding Bennett is a little bit slimmer because they are in foreclosure and it depends on refinancing, if they go for refinancing, or if the bank who buys them out pays up all the debt. I will let you know on that one but Cheryl wanted me to give everybody an update on that piece of that. Let's go ahead and jump to report from the facility coordinator so that Cynthia can get out of here.

#### Facilities Report - Cynthia and Darren

Tina: I want to let everyone know that I did send the letter to the state of Colorado regarding "illegal discharge of water". I e-mailed a copy to the Board, but I wanted to make sure it was reflected in the minutes. The State of Colorado did contact me after they received the letter and they want us to send them a letter and any documentation showing that the job is complete.

Cynthia: Actually, I want to do this a little differently because I know that you guys have talked about TruGreen already, so I am thinking you already have questions for me, so I would like to just start with questions from the Board.

Patty: I'm more concerned about whether or not the guys come out to look at the pool and stuff. That's my biggest concern.

Cynthia: What we have on the table right now is that the pool companies are pretty busy, not right this second, but most of them go hunting after pools are closed. So, I am not getting returned calls. The actual pool companies are going to be less expensive but if they do not respond, we go back to Leak Detection. They will be twice the cost because they can.

Tina: Just to let everyone know this will be a time and the material type job.

Cynthia: We will not open the pool until it has been fixed.

Pam: My question for you, Cynthia, is what is your kind of time frame in your mind for that cutoff before you are going to recommend we contact the expensive people?

Cynthia: April 1<sup>st</sup>.

Patty: So if we haven't heard from them and we are not prepared by then, then what?

Cynthia: I will schedule Leak Detection.

Pam: Can I suggest we make it a March 1<sup>st</sup> deadline instead? We might want the pool open on time.

Tina: Our goal is to get this done as soon as possible. It will be time and material, so there is no way we are even going to get--

Pam: Cynthia, can I make a recommendation that our deadline be March 1<sup>st</sup>, we might want to kick it back a little bit more, but, if it hasn't already been repaired by that time, to have responses and bids in your hand by Feb 15<sup>th</sup>, March 1<sup>st</sup>, so that you have some kind of a comfortable cutoff date. What I am saying is, I am hearing you and it would be great if we could get it done reasonably, but I'm saying that if we have to go to Leak Detection to get it open, then let's go to Leak Detection to get it open.

Cynthia: OK I will work on that. Next lets talk about the TruGreen bid. I had a conversation this week with the county and they are going to send me a list of other contractors to do another market evaluation because I do believe, and I talked to Tina, we do need to do this every so often. TruGreen's bids were low when we started with them. One of the things I love about this company is that if we ever have to have them back, even if it is through act of nature, that they didn't get a good kill and we got rain too quickly after or whatever, they will come back out. We don't pay for the chemicals again or labor again. We absolutely get a free application. So, there are times here when we may be saying we are getting four applications, if I don't like the kill, no questions asked, they are back on the property and I do call and they do come. They do a separate invoice, that is a service call and that is one of the things we are paying for here is that they will absolutely come back out, no charge, no questions. They want us happy.

The county is going to send me a list. I am going to follow up. They are also going to get me a list of good vegetation seeds for grasses. One of the reasons we have a weed problem is because of our erosion, they are actually going to get me a list of seed mixes that would be best for our soil, our property, and they said, you know, all the little handouts and things that you get for dry land mixes and all that...

Tina: I just wanted to say that once Cynthia gets this information we can get the information out in the newsletter or on the website for everybody in the community.

Cynthia: They will even come out and talk to the homeowners about this. If we wanted to do a community function and they would come out and give us this information as homeowners as well. So back to the erosion thing. They may be able to grant us money. We may be able to --and this is not guaranteed--but they are going to work on helping me get the matching grants. So, if we were to put a certain amount of money into reseeding and trying to fix our erosion problems here by reseeding, they are going to try to help me get some grant money --matching grant money. But no guarantees. But that is also on the table. They

do recommend an annual weed management and spraying program for the reason I had said, you can never eradicate it but it will control it. As far as the drainage and the erosion that we have, probably the most cost effective thing we can do is to--they really recommended that our walkways, the way they are and the way they are sloped, because right now, we just have retaining timbers on the end. They said we are losing the dirt out from under the timbers. Any landscaping that we have and which means all the little fine soil is going--where we were told at one time that we really had a horrible drainage problem, that we were going to have to do all this massive dirt moving, they said that is not the case. There is one spot that we could do dirt moving but they said just boxing those in the right place prove to be exactly what we needed. They wouldn't start with that as an alternative. Because we were able to see where--one of the things they said, between the tennis courts, that absolutely we need to do something about that as quickly as possible. It is one of our worst spots. They are not really concerned out here where, other than right up against the building where there is so much--they said clumping grass is one of the worst things for erosion because what the water does is it moves around the clumps and that is what we have around this section of the building. We need to get all the gutters--they said gutter your roof, which it is, but we have some piping that was put out there and it was basically a volunteer job and they said it actually needs to go farther out from where it is.

But they recommend that we actually block that off for the next two years. Seed it and block it off to keep foot traffic off of it while it takes hold. So they said just get some of that plastic fencing that they put up at construction sites and fence it off for a while --

Pam: So when we discuss this kind of stuff, they are going to put together a report and mail it to us?

Patty: What I am getting out it is that you need us to tell you, yes, let's do that?

Tina: I would like to see a plan for 2007 after we get the report from them to see if we can start planning this and budgeting for this project that we have talked about, the erosion between the two courts and maybe in 2007 we can actually get something done. That is my goal is to check the report and try to do this.

Cynthia: When I talked to them about our initial plans between the courts, they said they couldn't recommend a better plan than that. I talked to them about doing the two tiers plus the drainage in the bottom on the walkway part and actually putting some drainage in each tier and then putting the stairways in so people didn't use that portion for stairways. Actually put a place for people, you know, direct the traffic in those places and they said absolutely that was the best way to go and they will give a report on that and no, I don't need any answers, just strictly informational.

Tina: Do we need to do anything with TruGreen now or do you want to wait until we get--

Cynthia. I'd like to wait.

Tina: So basically, right now, guys, we are just going to go ahead and wait until we get her other information before we sign off on the TruGreen and I don't think there is an urgency to it.

Cynthia: Okay, the electrician. I have had now four electricians out here, Brian Cook, although said he would like it, has never contacted me since my vacation. I even left him a voice mail to say I would be there Sunday from this time to this time. If this time doesn't work for you, please call me back and schedule a new time with me. Never called me back. I am very frustrated with babying these guys. We have gotten -- one guy came out actually twice. He is the only one who has given me anything in writing and to date, is the only per hour electrician I have. And he is the only one who has given me anything in writing.

Tina: We have talked about this lighting for months now.

Pam: I say go with the guy who has showed some in terest and it is a possibility.

Cynthia: If Brian calls me back and tells me I am such-and-such an hour, because we are doing this on time and materials, if he tells me he is such-and-such an hour and that is cheaper than this other guy, I will come back to the Board. Otherwise, I think we need to go with him. He is \$10/hour cheaper than the guy we have used in the past.

Pam: I wouldn't really delay it. I would just do it.

Patty: Well, how much are we talking about--

Tina: We do have the funds to do it for 2006. You know what, I would say that if we don't hear from Brian --I mean, we need to get this done. We have been talking about it for months. It is more of a safety issue than anything---

Tina: We, as a Board, want to get three bids so that we do our due diligence and make sure that we are presenting to the community that we are above board and trying to do our job, on the one hand. Then on the other hand, we don't have anybody that wants to come out here. We worked for six to eight months trying to get a bid, and then we end up with maybe one bid and then we go with that bid because we don't have anyone else. People say, "I am going to do it. I will contact. I will call. I will volunteer." You know, it is the same old story. So, I look at it this way. This is a safety issue to me. Walking around here is a safety issue. I would like to see this done definitely before the pool is opened.

Stephen: We also have another option to think about but anybody that lives here, anyone in this community can work on this stuff as long as the county inspector signs it off.

Tina: They don't have to be licensed but this Board prefers that people are licensed and bonded.

Cynthia: They have to have liability insurance for what they are doing. They have liability insurance for the service that they are providing.

Patty: So if they are able to do electrical work, they may not be licensed but they may be insured for it?

Cynthia: If they have liability insurance, it would have to be for the actual work they are doing for us.

Tina: We prefer to have a licensed electrician do the work because of our insurance company.

Cynthia: I have several electricians. I said if we have someone who does a lot of electrical work on their own, would you be willing to sign off on the work. They are like, "No way in hell am I putting my business on the line."

Stephen: As long as the county signs off on it--

Pam: We want licensed electricians, I am pretty sure.

Patty: I personally want a licensed electrician.

Walt: Absolutely.

Cynthia: For electrical work, yes.

Bill: Are we discussing old problems or are we adding a new one?

Tina: We are adding electricity off of the pavilion because there is absolutely no electricity out there so people are running extension cords out there which isn't a good idea. More light to the front steps here

when people go down, some on the siding when you are walking here to go to the pool at night, and we are replacing some.

Pam: So the answer is both.

Bill: I would be grateful for that sign at the mailbox--right inside the mailbox, because that is a classic speed trap.

Tina: You know, I wouldn't know because I don't speed but okay!

Tina: Are we ready to at least make a decision that if, at least let Cynthia know that if she doesn't hear back from any other electrician --

Pam: What time period are you saying?

Tina: I would say two weeks.

Cynthia: If I haven't heard in two weeks. I would like to get this project started. All I need to know is the other contractor's hourly rates. If he gives me a reasonable hourly rate, then I will come back to the Board and I will let you make that decision.

Tina: I make a motion to proceed with the electrical improvements/additions, giving Cynthia two weeks to pick a vendor. Motion seconded unanimously.

Tina: Okay, Cynthia, that gives you two weeks to hear from somebody else. If not, we go with that and coordinate with Patty for the fixtures. Anybody else want to be involved in the fixture situation?

Walt: I trust her.

Architectural Control Committee (ACC) - Judy Trawinski dropped this off. The committee approved 1582 Pawnee Parkway for the building of a barn.

Pam: Wait a minute. Where is the plan from Larry Beireis for his fence?

Tina: Larry Beireis submitted a plan to replace the fence, that chain link fence, and he had a picture of wood and the wire, and he had pictures attached and I didn't give it to you to go upstairs? Okay, guys, I will scan that for you. I'm going to just send it out to you guys. Let me write myself a note, because it was reported this evening that apparently--he was told that he had to get rid of all the chain link and the post on top of the fence on all of his property except for the two pieces of the dog run that was actually approved by ACC. So then he turned around and he submitted to ACC a picture of wooden posts and the wire mesh to show this is what he wants to put in replacement of that area and he drew it out on the map and everything and, of course, ACC then approved that. They said yes, if you are going to take all that stuff out and replace it with this and these are the materials you are going to use, yes, we will approve it. Found out this evening that apparently, he has done something other than what ACC has approved.

Tina: Now either he hasn't finished, which I hope that is the case--

Pam: And there is still chain link in front of his house.

Tina: And he still has chain link in the area--but that is not what was approved. In other words, what was approved was wood posts and wire mesh.

Pam: Wire mesh and then nothing else.

Tina: And nothing else. I looked real close at the ACC approval and photo and went, "Wow, that is going to be a pretty fence." So he must have taken a picture of somebody's fence.

Patty: ACC would approve metal like that under the circumstance?

Tina: Oh no, she wouldn't approve that and--right, so, either he is not finished, which I hope that is the case.

Stephen: Can I make a suggestion on that? If he does have a pole up there, it is made out of wood, they can cover that piece of metal off with a piece of wood.

Tina: But it is not approved. This is our whole situation. He submitted what he wanted ACC to approve and then built something different.

Tina: Just to go back to the report for the facilities coordinator, our fire inspection, we didn't have any violations, so we made it through this year with no violations. Hallelujah! The other thing, I don't know if anybody has checked to make sure that Linda Lee did get rid of her chickens or not.

Pam: I have not checked.

Tina: Does anybody want to take that?

Patty: They are geese, aren't they?

Susan: I have never even seen them.

Tina: Two chickens, two geese, I don't know.

Pam: I've been walking about three miles a day. Want me to take a trek?

Tina: Can somebody check that?

Pam: That doesn't mean I will see them necessarily even if they are there, but I will--

Bill: Call and ask them.

Stephen: Yeah.

Bill: That's all you can do. You can't walk on her property.

Tina: I'm talking from the bridal trail or from the front of the house, wherever you can see.

Bill: Let's do it the honest way.

Walt: Just send her a letter.

Pam: I don't think it is dishonest to walk, fortunately.

Susan: Yeah, I'll call her.

Tina: Okay, so we need to verify that. So, just write the date and the time that you called her and we will put it into the minutes at the next meeting that she has verified that yes, they were gone. We just need to cover ourselves. Back at activities, so do we have anything for activities?

### Activities

Pam: Karlene stopped by earlier and just said that she dropped off the bill, pictures from the Halloween, said there weren't all that many people there but the kids had a lot of fun and that they are going to do the decoration thing again, she doesn't have a date--

Tina: Oh, holiday decoration contest?

Pam: Thank you, yes.

Tina: Has she given the information to Susan for the newsletter?

Susan: I am getting it put in there that it is coming and the details will be in the mailbox.

Buildings & Grounds - Stephen Gile. No report.

Covenant Committee - No report.

Directory and Welcoming - Sandy Perry

Tina: Again, we talked about--well, we just don't have welcoming, we just don't have that but I think our welcoming just ended up on the website. We're still checking to see if we can get a real estate company to come in and do our directory for us or whatever.

Walt: Mine can't do it as long as I'm on the Board but I can check to see if somebody else would be willing to do it.

Tina: Well, after January.

Walt: After January we could do it.

Tina: Yeah, you guys can do it. There you go.

Equestrian - Steven Gile. No report.

Newsletter – Susan No report.

Nominating - Pam, chairperson.

Surprising as it is, no one has contacted me to be put on the January ballot. We have three positions open.

Website - pawneehillshoa.org - Sandy

Tina: Sandy, do we have anything on the website? Did you get my information on the changes for WSI?

Sandy: Yes.

Tina: Maximum Allowable - Let's table this--I'll get my numbers together and we will table this to the 14<sup>th</sup>, but knowing that we want to go ahead and raise the maximum allowable and forego it. The other thing I want to go ahead and table to the 14<sup>th</sup> is discussing raising the dues by 5%, so going from \$43.05 to \$45.20, if my math is right. We will go ahead and table those two items to the 14<sup>th</sup> and get that taken care of. We have already determined the date for the annual meeting in January, and then we will go on to the budget. I want everybody to just kind of look at it because Susan Johnson got us the budget for 2007, put that together. What she did was, if you look on page 2, you will see our income statement in which she has year-to-date 10 month in the one column. Then what she did is she took that and did a per month and then she did it times 12 to give us a 12 month on the side column, on this far column. See where you have your 12 months? So she just took our year -to-date 10 months divided it by 10 to get our monthly, times it by 12.

Patty: Am I backwards here? Year-to-date--

Tina: Year-to-date is the 10 months.

Patty: The second column should be monthly. She has this backwards then.

Patty: And the third column should be the ratio over 10 months.

Tina: This is just-- the ratio is just to get to 100%. What she ended up doing is estimating 12 months, she just divided it--she took what the monthly would be divided by 10, times it by 12.

Patty: It doesn't matter because this column is going to be the same whether it is doing for the monthly or whether it is doing it for the year.

Tina: Right.

Walt: She is averaging it out for the last 12 months.

Tina: Right, that doesn't change. So what we are basically looking at is the estimate 12 months, that column there, to give us what are we estimating for the rest of the year as a total for 2006. Now, then what she did on the last page here, is she--you have your bottom, which is your net income and stuff, so basically, what--she just broke all of that out for the total, so you will see that, this last page is just the finish of that. Then, what she said was, we get about--and this is their estimate--we get about 10 late fees a month back to us. Sometimes it is more than that, sometimes it is less than that, so it averages about 10. So we get about \$100 a month just from homeowners and their late fees. So that is what she has put into her budget for 2007 because that is kind of what we are looking at and we have been. She raised the employee costs, not that it is going to happen, but she raised everything by 2-1/2% and employee costs was one of them. Employee hours are way down from what we have estimated because we were hoping that our employees would be able to do a lot more and spend more hours here because there is plenty of work to do. It just didn't happen the way we wanted it to.

Walt: She just raised it 2-1/2%?

Tina: She just raised it 2-1/2%. That is just a budget. We are budgeted but we don't--it is not necessarily what we are going to do but what threw us off last year is that the year before, hours were high, last year they were low, really low. But we looked at all of the stuff that had to be done and we looked at how much time we were going to need, when we did our job description and all the things that needed to be done. We still have a list of things to do. We are maintaining but we are not gaining.

Pam: We are barely maintaining.

Tina: You know, I am almost at the point that maybe if our employees can't put more hours in that maybe we need to get a third person in to make it up so we need to evaluate that. That is the reason why it is a little bit different in what you are looking at last year and going, "What the heck is happening with this year." The seasonal staff is still in because we never have made a decision that we were going to completely 'x' that out and we have the option if we do. We've had a lot of vandalism to throw in some seasonal staff if we feel we need to. Our mail-in ballots were added in because we never used to do that before. I told her that in the future, we would like to keep trying because it was pretty successful. So, that was a good turnout so I told her to keep the mail-in ballots in. Our utility costs obviously have gone up but everybody's has. We are a non-profit, so as you see, at the bottom of the first page where you see our operating expenses, where you see \$1,995.87, what we want to show there is \$300 or less in that column. So that means that we can take some of this money out and put it somewhere else that we feel it needs to go. If you guys look at this and go, "We are so underestimating ourselves on this," then that is where that money needs to go. So, go ahead, Susan.

Susan: I'm sorry. I'm not seeing the number. Is it the bottom one?

Tina: The \$1,995.87 needs to be, since we are non-profit, we really need to show in our budget that we are about \$300 or less in that. Now, we can spend some initial money on reserve projects that we haven't got to in 100 years that, you know, our reserve report says. You know, we haven't looked at that so we need to do that. The other thing that is kind of high in our office expense and stuff that she put a note in here so that you guys understood, that \$400 and some odd, it was because we had the copy machine, so that was high. We are not buying a copy machine every year. So she has put in there in parentheses somewhere here -- Oh, page 2, thank you. There it is. So that you guys can see that, she is not including to spend all that money next year because we did pay for this--buy that copier and the postage--the other thing that threw us off on postage was, remember when we sent out all the Rules and Regs and all of our directory? That was a huge mailing that hit our office supply postage section that most likely we are not going to be doing that huge of a mailing every year because we have talked about just putting the Rules and Regs on our website and just letting everybody know that there are changes. We may still do that but we have some room to play with it. So those are the only pieces that I wanted to just make sure everybody was aware of when looking this over. I think everybody will have a chance to go over it and on the 14<sup>th</sup>, decide which way to go. The other thing that we had talked about is, we are recouping our legal fees from the Lee case, hopefully from the Beireis case, so we can't exactly expect to spend, for example, \$10,000 next year on legal fees, when we recouped some of that money back. So basically, she is just trying to estimate. She just kind of took that money that we did spend, but say okay, we got this back so really, what kind of costs are we going to be out the door.

Pam: We better keep it high, I'm telling you.

Tina: We can't estimate that next year we are going to spend \$10,000 and we are going to lose \$10,000. We have got to think that we are going to come back with something. So if you look --

Pam: I would rather have that number be high then we end up being able to --

Tina: Well, our legal fees general is \$5,000. That is just general.

Walt: Last year it was \$2,500.

Tina: Yeah. And then our--but we still have the covenant--because general is \$5,000 and then our covenant enforcement is \$6,500, so, right now, that is what we have budgeted, \$6,500 plus the \$5,000 for what we consider our legal is going to be. Now the reason why our legal fees general is \$5,000 is because we are looking--and we may have to up that--is we are looking at what we have left on the declaratory if we have to finish that in 2007.

Patty: Can I just make a suggestion that we look at this and bring all this up Tuesday.

Tina: Yeah, but I just wanted to tell you where she came from as far as --Patty, when you and I were doing it, we said \$3,000-- 3 and 2 for a total of 5.

Pam: What is under legal fees general? What is that?

Tina: Declaratory, your Rules and Regs, our opinions, like the bridle path opinions, fencing opinions, remember when we had that one-year limitation? Yeah, all of that. Those are our--what we do that we need. We have concentrated so much on legal and concentrated so much on making sure that we have taken care of our SB-85 and SB-100 and all of the things that we are required by law to take care of; our Workman's Comp, our insurance. We have spent all of our energy on that and we haven't done what I consider maintenance. Remember--

Patty: You are preaching to the choir.

Tina: I am hoping that next year we can actually plan--I was happy because we got the fence done. You know, we got staining done; that was like, I was jumping up and down. And if we get the electrical done before the end of 2006, I will be jumping up and down. And the pool repairs. That would be great.

Tina: Okay, I'm not sure I got through everything I had to get through tonight guys, so--oh, the Beireis case, the release of the \$250 bond. I'm sorry I forgot to ask about that.

Sandy: It has been released and it has been deposited last month.

Tina: Okay, just wanted to make sure that got in the minutes. It may have gotten in last month but I want to make sure it gets in. The disclaimer on the website. We had talked about having it--and this is--I just want approval from you guys to put this in and then I will type it up and send it to you, Sandy. Pawnee Hills Community Association is not responsible for any errors or omission on this website. I will run through the mission statement that Susan wrote up. I would like to run that past you guys. On the 14<sup>th</sup> I will type it up and then I would like the mission statement also to go on the website but I will do that on the 14<sup>th</sup>. Boy, we have got a lot to do on the 14<sup>th</sup>.

Pam: Are we looking at the ADR on the 14<sup>th</sup> because we are out of time on that.

Susan: Is it supposed to be done by January?

Pam: It is supposed to be in place January 1.

Tina: Walt I need to get the minutes of the homeowners and special meetings?

Walt: The report? Yeah I can type up the minutes. I can do that.

Tina: Yeah, we need those. We need those posted on the website.

Tina: Okay, do we have any open forum?

#### Open Forum

Sandy: I just have a general comment. I looked through the to-be-filed box upstairs. I didn't see anything on the Beireis fencing and officially in the minutes, I am resigning from being the file clerk if I ever was the file clerk. I offered to help get the files organized. The files are organized. They are up there and I wash my hands. I will take care of the treasurer's filing and the annual report and stuff like that, but I don't want to do--

Walt: The every day filing.

Tina: Let the record show that Sandy Perry has resigned from being the file clerk, not that she ever was, but that she is not doing it anymore.

Pam: You did an outstanding job.

Motion was made to adjourn the meeting. Meeting seconded and passed. Meeting adjourned at 9:51 p.m.

Respectfully submitted,

Walt Day  
Secretary