

HARTSOCK VILLAGE CONDOMINIUMS HOMEOWNERS ASSOCIATION  
2011 Annual Meeting  
March 26, 2011

Officers Present: Alice Wilson (President), Mike McGrew (Vice-President), Patricia Lau (Recording Secretary), Linda Crownover (Communications Secretary), Melody Dates (Treasurer),

Property Manager Present: Bruce Beers, Bennett-Schellenberger Realty

Committee Chairs Present: Linda Crownover (Strategic Planning)

Quorum: Yes

**Opening:**

1. Alice Wilson called the meeting to order at 10:37 a.m. on March 26, 2011 at the Pikes Peak East Library, 5550 N. Union Boulevard, Colorado Springs, Colorado 80918.
2. Bruce Beers announced that 19 homeowners were present and that 3 proxies were submitted, for a total of 22 votes - a quorum was reached.
3. Bruce confirmed that the HOA was in compliance with the "proof of notice" required for the meeting – letters were mailed to all owners in accordance with the Hartsock Bylaws.
4. Bruce provided copies of the 2010 Annual Meeting minutes and indicated that they are posted on the HOA's website ([www.hartsockhoa.com](http://www.hartsockhoa.com)). Melody motioned to waive the reading of last year's minutes – it was seconded by Linda and was carried.
5. Alice noted that the period of Declarant control had ended on 8/31/10, and that the HOA was now entirely under homeowner management.
6. Alice thanked the current Board members for serving this past year. The full Board thanked Bruce for his hard work and support of our HOA.
7. All attendees recognized new owner Jeremy Combs (who was present) for his service to our country. He has just returned home from Iraq.

**Meeting:**

1. Alice discussed the recent activities and communications between the HOA and Dwight Cooper:
  - a. The HOA, Hartsock Village Condos Inc (owned by Mr. Cooper) and his bank entered into a legal agreement in January 2011. Mr. Cooper paid \$17, 535.77 to the HOA, which represented a 6 month "super-lien" of outstanding back assessments on his 19 units. Mr. Cooper also agreed to pay his future monthly assessments when due. For each of his next five units sold, the HOA will receive \$5,384.00, which represents one-fifth of the remaining settlement for

outstanding assessments, legal fees, working capital, water fees, move-in fees, etc. Each \$5,384 payment must be made within 10 days of the property closing.

- b. The HOA's attorney will contact Mr. Cooper again to remind him that per Colorado law, he is required to conduct a full audit of the HOA's financial operations for the period he was Declarant. This audit is now seven months past due.
  - c. The Board is proceeding with legal action against CD Development (the Hartsock Village construction company owned by Mr. Cooper) due to numerous construction defects at Hartsock Village. The Board has already commissioned a general inspection by a professional, Fred Root, and has received his report. A list of defects has also been compiled over the past five years by former owner Ed Schmauder and his Maintenance Committee team. The Board will commission electrical and plumbing inspections to determine if there are any other specific defects in these areas.
2. Bruce reviewed the HOA's current financial situation and discussed the proposed 2011 Budget. (*attachment A*) He indicated that he and the Board had determined an increase of 15% in assessments was required to adequately fund the HOA in the coming year, due to rising utility, insurance and maintenance costs. In addition to allocating monies for continuing operations, the HOA has created a contingency fund for unexpected expenses. The HOA will continue to build its reserve fund for long-term capital expenditures – the current balance is unacceptably low.
  3. Linda Crownover made a motion to approve the 2011 HOA budget. The motion was seconded by Melody Dates and unanimously approved.
  4. Linda reported on the recent activities of the Strategic Planning Committee and presented a preliminary list of Hartsock capital assets and their typical life-span. (*attachment B*) She also discussed the results of a 2008 published study of various HOA annual dues throughout Colorado Springs properties. (*attachment C*)
  5. Colorado law requires that the HOA present educational information to owners on an annual basis. To address this requirement, Linda presented information on the new Colorado HOA data exchange/office. She also described the new FHA/VA criteria for condominium property financing – these rules will go into effect for Hartsock Village in the fall of 2011. (*attachment D*)
  6. Alice reported that Mike McGrew was resigning from the Board due to time constraints. She then introduced Wavey Williams, a new owner in building 2 who had expressed interest in serving on the Board. Wavey spoke briefly about her background and past experience with HOAs.
  7. Alice and Melody Dates noted that their terms were ending, but indicated they would be willing to serve again. P. J. Arriza nominated Alice, Melody, and Wavey for new two-year terms on the Board. The motion was seconded by Linda and unanimously approved. Officer positions will be voted upon by the Board at its next meeting.

8. Alice indicated that a tenant, Martin Hodgin (Unit 3-306) works as a handyman, and offered his business card to anyone who may have an interest in speaking with him.
9. Alice noted that the Board has approved re-mulching of the outside common areas, and is currently soliciting bids for the work.
10. The Board and owners discussed recent unauthorized solicitors who had gained entry into the buildings via unsuspecting residents. All owners were urged to be aware of strangers and to maintain good building security practices.
11. The Board discussed the recent problem of squirrels chewing through external electrical wiring at two units. Bruce agreed to obtain bids to have units "squirrel-proofed" - a letter will be mailed to all owners discussing the proposed work and estimated cost. Any owners who are interested in having this work performed (at their own expense) will be given further details at that time.

**Adjournment:**

The meeting was adjourned at 11:30 a.m.

**ATTACHMENT A  
2011 HOA BUDGET**

<b>HARTSOCK VILLAGE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.</b>				
<b>PROJECTED INCOME EXPENSE BUDGET FOR 2011</b>				
	Monthly Budget	Yearly Budget	% of Total	Per Unit
<b>INCOME:</b>				
Assessment (increase starting 4/2011)	7,389.00	88,668.00	99.33	142.10
Interest Income	50.00	600.00	0.67	0.96
<b>Total Income</b>	<b>7,439.00</b>	<b>89,268.00</b>	<b>100.00</b>	<b>143.06</b>
<b>ADMINISTRATIVE EXPENSES:</b>				
Management Fee	600.00	7,200.00	8.07	11.54
Administrative Supplies	60.00	720.00	0.81	1.15
Legal Fees	100.00	1,200.00	1.34	1.92
Tax Return	50.00	600.00	0.67	0.96
<b>FIXED EXPENSES:</b>				
Insurance	1,250.00	15,000.00	16.80	24.04
Income Tax	0.00	0.00	0.00	0.00
<b>OPERATING EXPENSES:</b>				
Gas	150.00	1,800.00	2.02	2.88
Electricity	916.00	10,992.00	12.31	17.62
Water & Sewer	175.00	2,100.00	2.35	3.37
Trash Removal	133.00	1,596.00	1.79	2.56
Telephone	195.00	2,340.00	2.62	3.75
Monitoring	70.00	840.00	0.94	1.35
<b>MAINTENANCE EXPENSES:</b>				
Janitorial	480.00	5,760.00	6.45	9.23
Building Expense	100.00	1,200.00	1.34	1.92
Fire Hydrant Testing	25.00	300.00	0.34	0.48
Fire Security/Control	500.00	6,000.00	6.72	9.62
Elevator Expense	275.00	3,300.00	3.70	5.29
HVAC	30.00	360.00	0.40	0.58
Plumbing	20.00	240.00	0.27	0.38
<b>GROUNDS:</b>				
Asphalt	300.00	3,600.00	4.03	5.77
Curbs & Sidewalks	315.00	3,780.00	4.23	6.06
Landscaping	300.00	3,600.00	4.03	5.77
Sprinkler System	15.00	180.00	0.20	0.29
Snow Removal	200.00	2,400.00	2.69	3.85
Lighting	120.00	1,440.00	1.61	2.31
<b>Total Expenses</b>	<b>6,379.00</b>	<b>76,548.00</b>	<b>85.75</b>	<b>193.30</b>
Reserve	900.00	10,800.00	12.10	17.31
Contingency	160.00	1,920.00	2.15	3.08
<b>Grand Total</b>	<b>7,439.00</b>	<b>89,268.00</b>	<b>100.00</b>	<b>143.06</b>

**ATTACHMENT B**  
**2010 ESTIMATED ASSET REPLACEMENT VALUES**

Category	Description	Quantity	Unit Cost	Replacement Cost
Roofing	Bldg. 1,2,3	30,936 s.f.	\$150/sq	\$46,410
Roofing	Garages	1,809 s.f.	\$150/sq	\$2,718
Carpet	Hallways	8,128 s.f.	\$ 45/s.y.	\$40,680
Flooring	Lobbies	1,600 s.f.	\$ 5/s.f.	\$8,000
Perimeter Block Fencing	Site exterior	3,671 s.f.	\$ 10/s.f.	\$36,710
Perimeter Fence Foundation	Site exterior	1,749 c.f.	\$ 150/c.y	\$9,750
Asphalt Paving	Parking Lot	3,416 s.y.	\$17/s.y.	\$58,072
Sidewalk	Exterior site	3,475 s.f.	\$3.25/s.f	\$11,284
Sidewalk	Interior Site	3,644 s.f.	\$3.25/s.f.	\$11,843
Curb and Gutter	Interior Site	1,930 l.f.	\$20/l.f.	\$38,600
Underground Garages	Bldg. 2,3	23,428 s.f.	\$ 60/s.f.	\$1,405,680
Roofing and pavers	Patios	2,220 s.f.	\$9.00/s.f.	\$19,980
Site Lighting	Light Poles	4	\$5,000/ea	\$20,000
Elevators	Bldg. 2,3	2	\$26,000/ea	\$52,000
Man Doors	Bldg. 1,2,3	80 doors w/ hdw	\$ 180/door	\$14,400
Garage Doors	Bldg. 2,3	2 w/ openers	\$ 5,000/door	\$10,000
Fire Alarm	Bldg. 2,3	2 systems		\$37,000
Entry System	Bldg. 2,3	Incl. in Fire Alarm		
Fire Sprinkler System	Bldg. 2,3	93,712 s.f.	\$1.50/s.f	\$140,568
HVAC systems	Bldg. 2,3	Hall and Garages		\$20,000
Water Line	Site exterior	802 l.f. & 3 hyd	\$20/lf & 1000/hyd	\$19,040
Sewer line	Site exterior	510 l.f.	\$ 20/l.f.	\$10,200
Storm Sewer	Site exterior	330 l.f.	\$20/l.f.	\$6,600
Landscaping	Site exterior	40,000 s.f.	\$3.15/s.f	\$126,000
Property	Site	131,551 s.f.	\$ 3.50/s.f	\$460,428
		<b>Total Value</b>		<b>\$2,605,963</b>

**ATTACHMENT C**  
**UPDATES/CHANGES TO HOA-RELATED LEGISLATION & RULES**

**Colorado HOA Registration Requirements – HB 1278**

1. This recent legislation creates a state “HOA Information & Resource Center” which:
  - a. Took effect on January 1, 2011.
  - b. Serves as a clearing house for information concerning the basic rights and duties of unit owners, developers, and HOAs operating under the Colorado Common Interest Ownership Act (CCIOA).
  - c. Tracks and reports inquiries and complaints regarding HOAs to the Colorado Division of Real Estate.
  - d. Does **NOT** have any authority to investigate complaints, provide legal advice, enforce HOA rules, etc.
  - e. Will be managed primarily online.
2. HB 1278 requires all HOAs to register annually with the Division of Real Estate and submit general information such as the name of the managing agent, the date the Declaration was filed, etc.
3. An annual fee of up to \$50 is required – these fees will be used to fund the office. HOAs that have low revenue, such as Hartsock Village, may be exempt from the fee.
4. If an HOA fails to register or is not current in registration, it will be ineligible to impose or enforce assessment liens and will lose its right to collection costs and attorneys fees expended in those efforts.

**FHA Re-Certification of Condominiums**

1. The US Department of Housing and Urban Development (HUD) has extended the deadline for the re-certification of condominium projects, like Hartsock Village, that had received approval for FHA-backed mortgages and insurance prior to October 2008.
2. Based upon Hartsock’s initial project approval date, our new re-certification date will be September 30, 2011.
3. Hartsock IS currently on the HUD approval list for FHA-backed loans.
4. In order to gain recertification, a condominium project must (among other factors):
  - a. Be at least 50% owner-occupied.
  - b. Have no more than 15% of units in arrears of HOA dues by more than 30 days.
  - c. Have no person or entity which owns more than 10% of the project (this includes developers who rent their unsold units).
  - d. Develop a budget that includes reserve funding for capital expenses and deferred maintenance – funding must be at least 10% of overall budget.
5. Absent any changes, Hartsock will **NOT** be approved for FHA-backed loans when the re-certification process is complete.

**ATTACHMENT D**  
**EXAMPLES OF HOA ANNUAL DUES**  
**COLORADO SPRINGS - 2009**

*(Condominium Properties are in Italics)*

\$6,000 Toscano at Flying Horse  
\$5,940 Villas at Log Hollow  
\$4,020 Kissing Camels  
\$3,886.80 Spring Grove Homeowners Association  
\$3,605 La Bellezza at Peregrine townhomes  
\$3,600 Stratton Pines  
*\$3,420-\$1,644 Villa Sierra Condominium Association (based on unit size)*  
\$3,420 Mission Cove Townhome Owners Association  
\$3,360 Broadmoor Resort Community  
\$3,180 Woodbridge Townhome Owner Association  
\$3,133 Stonebridge at Cedar Heights  
\$3,120 Broadmoor Village  
*\$3,000 Old Broadmoor Road Homeowners Association*  
\$2,990 Grove at Briargate Townhome Association  
*\$2,868-\$1,872 Pinon Springs Condominium Assn (based on unit size)*  
\$2,700 Rockrimmon Condominium Association  
\$2,700 Sweetwater Ridge Homeowners Association  
\$2,676 Autumn Heights Townhomes  
*\$2,554 Valley Hi Condominium Association*  
\$2,520 Townhomes at Rockrimmon The Residents  
\$2,408 Cedar Heights Community Association master  
\$2,400 Golden Hills Homeowners Association  
\$2,292 Erindale Townhomes  
\$2,291 Saddleback at Newport Heights Townhome Association  
\$2,285.52 Villages at Peregrine  
\$2,280 Sundance at Greencrest  
*\$2,254 Dublin Manor Condominium Association*  
\$2,220 Saddleback Townhomes  
\$2,208 Stratton Preserve Estates  
\$2,172 Carriages at Charleston Place  
*\$2,160 Stepping Stones Condominium Association*  
\$2,088 Fairways Springs Ranch Homeowners Association  
\$2,076 Cottonwood Creek Townhomes  
\$1,980 Pinon Glen Homeowner Association  
\$1,860 Eagles Nest Homeowners Association  
\$1,848 Raintree Springs Homeowners Association  
\$1,740 Smoketree Townhomes in Briargate  
\$1,692 Victoria Village at Colorado Springs Homeowners Association  
\$1,638 Hearthwood Townhomes  
\$1,620 Windjammer Pointe Townhomes  
\$1,560 Mirrillion Townhome Association  
\$1,529 Sactuary at Peregrine  
\$1,504.68 Lexington Park Homeowners Association  
\$1,500 Fifteenth Fairway Townhome Owner Association  
\$1,500 Woodmoor Park Townhomes  
\$1,440 Aspen Leaf Townhomes  
\$1,284 Parkside at Mountain Shadows  
\$900 Flying Horse Master Homeowners Association  
\$840 Spring Lane Homeowners Association  
\$650 Alpine Glen at Peregrine  
\$552 Community at Spring Creek  
\$380 Northgate Highlands Homeowners Association  
\$305 Peregrine Master Homeowners Association  
\$300 Gleneagle Filing No. 3  
\$300 Kings Deer Master Homeowners Association  
\$300 Spires Drainage Homeowners Association  
\$300 Windjammer Community  
\$264 Wolf Ranch Owners Association  
\$250 Village Seven Homeowners Association