

**RECORD OF PROCEEDINGS OF THE  
THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS MEETING  
JANUARY 28, 2014**

**MEETING CALLED TO ORDER:**

The Board of Directors for The Farm at Arapahoe County Homeowners Association, Inc., met at Fox Hollow Elementary School on January 28, 2014. Board members present were Kimberly Armitage, Karl Sheldon, Michael McNeil and Rory Lamberton. Also, in attendance were homeowner members Tony & Milda Griffin, Jack and Janet Post and Jessica Moser and Mark L. Eames, PCAM with PCMS. Director Armitage called the meeting to order at 6:50 p.m. and noted that there was a quorum.

**DISCLOSURE OF POTENTIAL CONFLICT INTEREST:**

Director Armitage noted that the general disclosure statements for those Board members present at the meeting have been updated and filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

**CONSENT AGENDA:**

Upon review, a motion was made by Director Sheldon, seconded by Director Lamberton and without public comment, unanimously passed to approve the following consent agenda items as presented:

- a. Record of Proceedings for September 24, 2013 and November 19, 2013.
- b. Unaudited Financial and delinquency reports through December 31, 2013

**OFFICER REPORTS:**

**LEGAL UPDATES:**

The Board reviewed the status update from the Association's legal counsel.

2014 Legal Services Agreement: The Board of Directors reviewed the 2014 Legal Services Agreement provided by Hindman Sanchez. Upon review, a motion was made by Director McNeil, seconded by Director Sheldon and without public comment, unanimously passed to continue with the Non-Retainer and Risk Share program with Hindman Sanchez for 2014.

HOA/District Consolidation Opinion Letter: The Board of Directors reviewed the legal opinion letter received from Hindman Sanchez. After discussion, the Board directed management to set up a meeting with the District representative to discuss possible options moving forward and report back to the Board with their findings.

**OTHER OFFICER REPORTS:**

Homeowner Request to Remove Penalties: Homeowner at 5997 S. Yampa Street submitted a letter to request that \$750.00 in penalties and \$100.00 in late fees be removed from his account regarding lack of landscape maintenance. Upon review, a motion was made by Director McNeil, seconded by Director Sheldon and without public comment, unanimously passed to provide the owner with a time frame through May 31, 2014 to bring the landscaping into compliance and during this time frame no additional penalties will be applied and at that point, the owner can resubmit their request to the Board of Directors for their review and consideration in removing the penalties.

**COMMITTEE REPORTS:**

2014 Committee Appointments: This business matter was tabled until the next meeting.

Design Review Board (DRB); Landscape Committee; Social Committee and SALAD Committee Charter:  
No official report.

**HOMEOWNER HEARING:**

Milda and Tony Griffin and Janet and Jack Post were in attendance for their scheduled hearing to discuss concerns with dog waste allegedly not being removed in a timely manner from the owners lot. After a lengthy discussion, it was decided between all parties that currently the dog waste situation is acceptable and if it gets to a point in the future where the concern is raised again, mediation will be initiated immediately to try and get the concern resolved.

**The Farm at Arapahoe County Homeowners Association**  
**Board of Directors Meeting**  
**January 28, 2014 – Page 2**

**OTHER REPORTS:**

**Goodman Metropolitan District Update:** Director Armitage updated the Board on several items the Metropolitan District is currently working on including two open house functions that occurred this month to show the conceptual plans for possible improvements in the park areas. One concern that was raised is that homeowners feel the communication needs to be improved with respect to District operations. It was noted that the District will begin adding a monthly article to The Farm newsletter publication and management will be adding a link to the District's website on the current HOA website.

Director Armitage reviewed the proposed letters to the Goodman Metropolitan District looking for Association support for the grant project. It was explained that the Association could pledge a matching funds dollar amount to go towards this project. After final review, a motion was made by Director Lamberton, seconded by Director Sheldon and without public comment, unanimously passed to authorize the Board President to execute and send the draft letter presented on behalf of the Association in support of the grant project and to agree to provide a matching funds assistance to the District in an amount not to exceed \$12,500.00 if the grant project is approved.

**MANAGEMENT REPORT:**

Mr. Eames reviewed the correspondence sent out and received for the month and provided an update to the Board regarding several items that have been resolved since the last meeting.

**UNFINISHED BUSINESS:**

**Management Service Agreement Renewal:** The Board of Directors reviewed the proposed First Addendum to Management Contract that was provided in their informational packet. Upon review, a motion was made by Director Armitage, seconded by Director Sheldon and without public comment, unanimously passed to approve the proposed Addendum and authorized the President to execute the document.

**Booster Pump Review:** Mr. Eames provided an update to the Board regarding this matter. After a final review and discussion a motion was made by Director Sheldon, seconded by Director McNeil and with no public comment unanimously passed to authorize final approval to purchase the system that was approved to expense in 2013 at a cost not to exceed \$47,000.00.

**NEW BUSINESS:**

**2014 Board Meeting Schedule:** The Board reviewed options for the 2014 meeting schedule. It was decided that the following dates were scheduled for the 2014 Board meetings: April 22, 2014, June 24, 2014, August 26, 2014 and October 28, 2014. The schedule will be added to the community website calendar.

**HOMEOWNER MEMBER PUBLIC FORUM:**

There were not any homeowners in attendance for the Public Forum portion of the meeting.

**ADJOURNMENT:**

The meeting was adjourned at 8:36 p.m. The next tentative regularly scheduled meeting of the Board was set for April 22, 2014 at 6:00 p.m. at Fox Hollow Elementary School.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 22<sup>nd</sup> day of April 2014.

THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS

By *Michael J. McNeil*  
Secretary/Authorized Agent

**RECORD OF PROCEEDINGS OF THE  
THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS MEETING  
OCTOBER 6, 2014**

**MEETING CALLED TO ORDER:**

The Board of Directors for The Farm at Arapahoe County Homeowners Association, Inc., met at the PCMS office on October 6, 2014. Board members present were Kimberly Armitage, Rory Lamberton, Michael McNeil and Karl Sheldon. Also, in attendance were Clint Waldron with White Bear & Ankele, Gretchen Davidson and Jessica Moser and Mark L. Eames, PCAM with PCMS. Director Armitage called the meeting to order at 6:02 p.m. and noted that there was a quorum.

**DISCLOSURE OF POTENTIAL CONFLICT INTEREST:**

Director Armitage noted that the general disclosure statements for those Board members present at the meeting have been updated and filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

**CONSENT AGENDA:**

Upon review, a motion was made by Director McNeil, seconded by Director Lamberton and without public comment, unanimously passed to approve the following consent agenda items as presented:

- a. Record of Proceedings for August 27, 2014
- b. Unaudited Financial and delinquency reports through August 31, 2014

**OFFICER REPORTS:**

**LEGAL UPDATES:**

The Board reviewed the status update from the Association's legal counsel.

**COMMITTEE REPORTS:**

Design Review Board (DRB): Mr. Eames noted to the Board that the DRB is currently reviewing plans electronically, but will continue to meet quarterly.

Landscape Committee: No official report.

Social Committee: No official report.

SALAD Committee Charter: No official report.

**OTHER REPORTS:**

Goodman Metropolitan District Update: Director Armitage updated the Board on several items the Metropolitan District is currently working on including the sidewalk installation that is planned to be completed by October 31, 2014 along Arapahoe Road.

**MANAGEMENT REPORT:**

Mr. Eames reviewed the correspondence sent out and received for the month and provided an update to the Board regarding several items that have been resolved since the last meeting.

**UNFINISHED BUSINESS:**

Metro District/HOA Consolidation: Clint Waldron with White Bear & Ankele, the Goodman Metropolitan Districts representative reviewed several items related to the proposed Metro District/HOA consolidation. After a lengthy discussion, it was agreed that a brief statement/presentation will be made at the Associations Annual Meeting in November about the possibility of a consolidation, with several follow up presentation meetings and information to be mailed out in 2015 to gain owners feedback on this proposed consolidation.

Annual Membership Meeting: The Annual Membership Meeting will be held on November 11, 2014 at Fox Hollow Elementary School at 6:00 p.m. Notice of the meeting will be sent out to all owners of record in the required time frame. It was noted that five members have submitted their name for interest in the two open positions.

**The Farm at Arapahoe County Homeowners Association**  
**Board of Directors Meeting**  
**October 6, 2014 – Page 2**

**UNFINISHED BUSINESS CONTINUED:**

**Trash Receptacles at Dog Stations Discussion:** The Board of Directors reviewed two homeowner requests to add trash receptacles to the dog stations in the areas maintained by the Association. The Board reviewed the pros and cons of adding the trash receptacles and requested that management obtain a proposal of the costs for daily removal of the trash from the receptacles and will report back to the Board.

**HOMEOWNER MEMBER PUBLIC FORUM:**

Gretchen Davidson was in attendance regarding a concern with landscaping on her property being damaged by the native mowing procedure. Management will investigate further and follow up with the owner with additional information obtained by the landscape contractor.

**ADJOURNMENT:**

The meeting was adjourned at 6:29 p.m. The next tentative regularly scheduled meeting of the Board was set for November 11, 2014 following the Annual Meeting at Fox Hollow Elementary School.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 11<sup>th</sup> day of November 2014.

THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS

By Michael J. McNeil  
Secretary/Authorized Agent

**RECORD OF PROCEEDINGS OF THE  
THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS MEETING  
APRIL 22, 2014**

**MEETING CALLED TO ORDER:**

The Board of Directors for The Farm at Arapahoe County Homeowners Association, Inc., met at Fox Hollow Elementary School on April 22, 2014. Board members present were Kimberly Armitage, Karl Sheldon, Michael McNeil, Marcia Seiber and Rory Lamberton. Also, in attendance were homeowner members Indukuri Raju and Vencent Gangavelli and Jessica Moser and Mark L. Eames, PCAM with PCMS. Director Armitage called the meeting to order at 6:24 p.m. and noted that there was a quorum.

**DISCLOSURE OF POTENTIAL CONFLICT INTEREST:**

Director Armitage noted that the general disclosure statements for those Board members present at the meeting have been updated and filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

**CONSENT AGENDA:**

Upon review, a motion was made by Director Sheldon, seconded by Director Lamberton and without public comment, unanimously passed to approve the following consent agenda items as presented:

- a. Record of Proceedings for January 28, 2014
- b. Unaudited Financial and delinquency reports through March 31, 2014

**OFFICER REPORTS:**

**LEGAL UPDATES:**

The Board reviewed the status update from the Association's legal counsel.

**COMMITTEE REPORTS:**

2014 Committee Appointments: A motion was made by Director McNeil, seconded by Director Seiber and without public comment, unanimously passed to appoint Ralph Ferullo as the chairperson of the DRB and Brian Burns, Ray Seggelke, Saket Srivasta and Steve O'Leary as members of the DRB and to appoint Steve O'Leary as the chairperson for the Landscape Committee and Brian Burns and Karl Sheldon as members of the Landscape Committee.

Design Review Board (DRB): Mr. Eames noted that the DRB will be reviewing a possible change to the trash receptacle section of the Community-wide Standards document and will provide that information to the Board of Directors for their review and consideration.

Landscape Committee: Mr. Eames noted that the booster pumps for the community have been installed and are working properly.

Social Committee: Mr. Eames noted that he met with Mari Lynott, the social coordinator this afternoon and will be providing an updated events sheet to the community and it will also be posted on the website to outline all community planned events for the year.

SALAD Committee Charter: No official report.

**OTHER REPORTS:**

Goodman Metropolitan District Update: Director Armitage updated the Board on several items the Metropolitan District is currently working on including looking at homeowner comments received on what they would like to see at Central Park and it was noted that the most common requests were to look at adding bathrooms to the park, more shade and water.

**MANAGEMENT REPORT:**

Mr. Eames reviewed the correspondence sent out and received for the month and provided an update to the Board regarding several items that have been resolved since the last meeting.

**The Farm at Arapahoe County Homeowners Association**  
**Board of Directors Meeting**  
**April 22, 2014 – Page 2**

**UNFINISHED BUSINESS:**

Booster Pump Review: Mr. Eames provided an update to the Board regarding this matter and noted that the booster pumps have been installed and are functioning properly.

**NEW BUSINESS:**

Insurance Renewal Update: Mr. Eames noted that he is pending receipt on the proposals for the upcoming insurance renewal and will provide that information to the Board with additional information as it becomes available.

**HOMEOWNER MEMBER PUBLIC FORUM:**

There were two homeowners in attendance for the public forum portion of the meeting who had concerns with recent burglaries in the community and feel that the police department does not respond in a timely manner to these types of requests and asked the Board for advice on how to try and get additional police patrols in the neighborhood. It was noted to the homeowners that they should contact the police department regarding their concerns and that they might want to look at establishing neighborhood watch on their street.

**ADJOURNMENT:**

The meeting was adjourned at 8:36 p.m. The next tentative regularly scheduled meeting of the Board was set for June 24, 2014 at 6:00 p.m. at Fox Hollow Elementary School.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 24<sup>th</sup> day of June 2014.

THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS

By 

Secretary/Authorized Agent

**RECORD OF PROCEEDINGS OF THE  
THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS MEETING  
JUNE 24, 2014**

**MEETING CALLED TO ORDER:**

The Board of Directors for The Farm at Arapahoe County Homeowners Association, Inc., met at Fox Hollow Elementary School on June 24, 2014. Board members present were Kimberly Armitage, Karl Sheldon, Michael McNeil and Marcia Seiber. Rory Lamberton had an excused absence. Also, in attendance were homeowner members Dave and Ruth Whitt and Jessica Moser and Mark L. Eames, PCAM with PCMS. Director Armitage called the meeting to order at 6:02 p.m. and noted that there was a quorum.

**DISCLOSURE OF POTENTIAL CONFLICT INTEREST:**

Director Armitage noted that the general disclosure statements for those Board members present at the meeting have been updated and filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

**CONSENT AGENDA:**

Upon review, a motion was made by Director Sheldon, seconded by Director Seiber and without public comment, unanimously passed to approve the following consent agenda items as presented:

- a. Record of Proceedings for April 22, 2014
- b. Unaudited Financial and delinquency reports through May 31, 2014

**OFFICER REPORTS:**

**LEGAL UPDATES:**

The Board reviewed the status update from the Association's legal counsel.

**COMMITTEE REPORTS:**

Design Review Board (DRB): Mr. Eames reviewed the DRB's proposed revision to the trash receptacle section of the Community-wide Standards document. Upon review, a motion was made by Director McNeil, seconded by Director Sheldon and without public comment, unanimously passed to approve the revision as presented by the DRB.

Mr. Eames reviewed proposed changes to the landscaping section of the Community-wide Standards document with respect to xeriscaping options as recommended by the DRB. Upon review, a motion was made by Director Seiber, seconded by Director Sheldon and without public comment, unanimously passed pending final review and approval by the DRB of this revision.

Landscape Committee: Mr. Eames provided an update of the projects that have either been completed or are in the process of being completed throughout the community including new no soliciting signs that will be installed at the community monuments within the next couple of weeks.

Social Committee: Mr. Eames noted that the next social event scheduled for the community will be the 4<sup>th</sup> of July event.

SALAD Committee Charter: No official report.

**OTHER REPORTS:**

Goodman Metropolitan District Update: Director Armitage updated the Board on several items the Metropolitan District is currently working on including the sidewalk installation that is planned to be installed by the end of the summer along Arapahoe Road, the grant the District received to improve Creekside Park and the high volume of use of the parks/fields in the community.

**The Farm at Arapahoe County Homeowners Association**  
**Board of Directors Meeting**  
**June 24, 2014 – Page 2**

**MANAGEMENT REPORT:**

Mr. Eames reviewed the correspondence sent out and received for the month and provided an update to the Board regarding several items that have been resolved since the last meeting. Mr. Eames noted that the current trash service contract is up for renewal and the Board agreed that a Request for Proposal (RFP) be sent out for this service to several companies for their review and consideration prior to making a final decision. The Board discussed the upcoming 2015 budget preparation and after a lengthy discussion, it was determined that Mr. Eames will start working on the draft budget to present to the Treasurer for review prior to the next Board meeting.

The Board also requested that Mr. Eames contact a Metropolitan District legal counsel of his recommendation that would consider assisting the Board in their continuing efforts to review the pro's and con's of merging the Association common tract ownership and service responsibilities with the Goodman Metropolitan District. The Board agreed that they may need to conduct one or more work sessions over the next several weeks to review this business item prior to their next regularly scheduled Board meeting in August.

**NEW BUSINESS:**

Exterior Home Painting Extension Requests: The Board reviewed two homeowner requests for extensions to repaint the exterior of their homes due to financial hardship. It was determined that for the home on Caley Circle, an extension until 8/31/14 will be granted and if the owner is not able to complete the work by that date, they will need to come to the next Board meeting to discuss their request with the Board directly. For the owner on Lake Lane, an extension will be granted until March 31, 2015 contingent that they sign a covenant agreement outlining several specific stipulations of the agreement.

**HOMEOWNER MEMBER PUBLIC FORUM:**

There were two homeowners in attendance for the public forum portion of the meeting who had general comments and questions related to the Association.

**ADJOURNMENT:**

The meeting was adjourned at 7:52 p.m. The next tentative regularly scheduled meeting of the Board was set for August 26, 2014 at 6:00 p.m. at Fox Hollow Elementary School.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 26<sup>th</sup> day of August 2014.

THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS

By Michael S. McNeil  
Secretary/Authorized Agent



**RECORD OF PROCEEDINGS OF THE  
THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS MEETING  
AUGUST 27, 2014**

**MEETING CALLED TO ORDER:**

The Board of Directors for The Farm at Arapahoe County Homeowners Association, Inc., met at the PCMS office on August 27, 2014. Board members present were Kimberly Armitage, Rory Lamberton, Michael McNeil and Marcia Seiber. Also, in attendance were Jessica Moser and Mark L. Eames, PCAM with PCMS. Director Armitage called the meeting to order at 6:02 p.m. and noted that there was a quorum.

**DISCLOSURE OF POTENTIAL CONFLICT INTEREST:**

Director Armitage noted that the general disclosure statements for those Board members present at the meeting have been updated and filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

**CONSENT AGENDA:**

Upon review, a motion was made by Director Lamberton, seconded by Director McNeil and without public comment, unanimously passed to approve the following consent agenda items as presented:

- a. Record of Proceedings for June 24, 2014
- b. Unaudited Financial and delinquency reports through July 31, 2014
- c. Ratification of Electronic Consents (Buckley Road median Islands landscape work and trash service RFP renewal with Republic Services)

**OFFICER REPORTS:**

**LEGAL UPDATES:**

The Board reviewed the status update from the Association's legal counsel.

**COMMITTEE REPORTS:**

Design Review Board (DRB): No official report.

Landscape Committee: No official report.

Social Committee: No official report.

SALAD Committee Charter: No official report.

**OTHER REPORTS:**

Goodman Metropolitan District Update: Director Armitage updated the Board on several items the Metropolitan District is currently working on including the sidewalk installation that is planned to be installed with work starting by October 1, 2014 along Arapahoe Road.

**MANAGEMENT REPORT:**

Mr. Eames reviewed the correspondence sent out and received for the month and provided an update to the Board regarding several items that have been resolved since the last meeting. A homeowner in the community requested that the Board look at the current mailbox maintenance guideline and after discussion, it was determined that a reminder notice would be added to the next newsletter publication regarding mailbox maintenance.

**UNFINISHED BUSINESS:**

Metro District/HOA Consolidation: This matter was tabled until the next meeting.

**The Farm at Arapahoe County Homeowners Association**  
**Board of Directors Meeting**  
**August 27, 2014 – Page 2**

**NEW BUSINESS:**

2015 Proposed Budget: Mr. Eames reviewed the proposed 2015 budget with the Board of Directors. Upon review, a motion was made by Director McNeil, seconded by Director Lamberton and without public comment unanimously passed to approve the 2015 proposed budget (Attachment A) providing the Treasurer with limited authority to adjust the 2015 capital improvement project budget to reflect any change in the overall estimated surplus for 2014 prior to the distribution of the proposed 2015 budget to the members.

Annual Membership Meeting: The Annual Membership Meeting will be held on November 11, 2014 at Fox Hollow Elementary School at 6:00 p.m. Notice of the meeting will be sent out to all owners of record in the required time frame.

**HOMEOWNER MEMBER PUBLIC FORUM:**

There were not any homeowners in attendance for the meeting.

**ADJOURNMENT:**

The meeting was adjourned at 6:35 p.m. The next tentative regularly scheduled meeting of the Board was set for October 6, 2014 at 5:00 p.m. at Fox Hollow Elementary School.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 6<sup>th</sup> day of October 2014.

THE FARM AT ARAPAHOE COUNTY BOARD OF DIRECTORS

By Michael McNeil  
Secretary/Authorized Agent

Attachment A

The Farm at Arapahoe County Homeowners Association, Inc.  
2014 Approved Budget, 2014 Estimated Actual, 2015 Proposed Budget

	2014 Approved	2014 Estimated	2015 Proposed
<b>HOA Operating Income</b>			
Assessments	\$866,160	\$866,160	\$866,160
Fines Income	\$3,600	\$5,200	\$3,400
Legal Income	\$4,500	\$5,000	\$4,500
Late Fee Income	\$6,500	\$7,400	\$6,000
Miscellaneous	\$1,000	\$1,200	\$1,200
Goodman Bill Back	\$15,000	\$13,000	\$15,000
Carry Over (Loss)	\$107,740	\$148,300	\$122,000
<b>Total Income</b>	<b>\$1,004,500</b>	<b>\$1,046,260</b>	<b>\$1,018,260</b>
<b>HOA Operational Expenses</b>			
Water/Sewer/Stormwater	\$245,000	\$228,000	\$239,640
Electric	\$14,300	\$14,900	\$15,800
Trash Removal	\$228,200	\$229,800	\$224,000
Snow Removal	\$12,000	\$5,200	\$12,000
Landscape/Contract Maint.	\$142,000	\$143,000	\$145,000
Sprinkler Repair	\$25,000	\$19,500	\$24,000
Trees Maint. and Replacement	\$35,000	\$35,000	\$35,000
Grounds/Maint. Supplies	\$9,000	\$8,400	\$8,220
Social/Recreational	\$18,000	\$16,500	\$18,000
Capital Improvements	\$80,000	\$30,000	\$85,500
<b>HOA General/Administrative</b>			
Holiday Decorations	\$5,000	\$7,500	\$7,500
Legal-General	\$5,000	\$6,000	\$9,000
Legal Covenant Expenses	\$5,000	\$3,000	\$5,000
Legal Risk Share	\$5,000	\$4,900	\$5,000
Legal Collection Expenses	\$5,000	\$5,800	\$6,000
Audit/Income Taxes	\$4,000	\$3,800	\$4,000
Professional Fees	\$78,000	\$75,800	\$78,000
Insurance	\$14,000	\$13,600	\$14,400
General Administration	\$28,000	\$24,000	\$32,000
Bad Debt	\$5,000	\$6,800	\$4,200
<b>Reserves</b>			
Reserve Contribution	\$42,000	\$42,000	\$46,000
<b>Grand Total Expenses</b>	<b>\$1,004,500</b>	<b>\$923,500</b>	<b>\$1,018,260</b>
<b>Net Income (Loss)</b>	<b>\$0</b>	<b>\$122,760</b>	<b>\$0</b>

**The Farm at Arapahoe County Homeowners Association  
2015 Operations, Maintenance  
and Reserves Budget Narrative**

**OPERATING REVENUES**

***Homeowner Assessments***

Budgetary estimate is based upon 1604 homes paying a monthly assessment rate of \$45.00. There is no projected increase in the assessment rate for 2015 from 2014.

***Fines/Legal/Late Fees Income***

Late fee and fine revenue estimates are based upon historical data from previous year's data. Legal income is based upon projected costs associated with either assessment collection and/or covenant enforcement which the Association would seek to be reimbursed for costs from the owner.

***Miscellaneous Income***

Miscellaneous income includes but may not be necessarily limited to; operating account interest, outside income from social activities and reimbursement costs associated with professional services billed back for the care of a lot and/or home in the community that is not being maintained, such as a foreclosure.

***Goodman Metropolitan District Bill Back***

In late 2012 the Association and the Goodman Metropolitan District, hereinafter referred to as the "District" agreed to transfer over certain maintenance responsibilities related to the Arapahoe Road corridor maintenance to the District. As part of that transfer and agreement both parties agree that the District would reimburse the Association for the irrigation water costs associated with the Arapahoe Road corridor.

***Carry-Over Funds***

Carry-over funds are income in excess of projected expenses, in this case from 2014 that the Board of Directors has authorized to carry forward in 2015 as revenue.

**HOA OPERATING EXPENSES**

***Water/Sewer/Stormwater***

Costs associated with the irrigation (watering) of all properties owned and maintained by the Association. The 2015 estimates are based upon a more normal seasonal moisture pattern for 2015 versus 2014, but does anticipate an increase in the cost of water by ECCV in 2015 of 6%.

***Electrical Usage***

Costs associated with the electrical usage of all properties owned and maintained by the Association. The 2015 estimates are based upon projected 2014 estimated actual, with an anticipated increase in the cost of electricity in 2015 of 8%.

***Trash Removal***

Budgeted figure includes all trash removal for all private residences in the Association. The contract is up for renewal in 2015. The 2015 estimated budget reflects consideration that the first year of the renewal will be at a lower rate than what the Association paid in 2014.

***Snow Pushing Contract***

Budget figures reflect current estimated costs for customary snow removal operations for all properties owned and maintained by the Association through the current landscape contractor. Estimates are based upon the lineal footage of sidewalks adjacent to all of the tracts owned by the District, with an estimate of fourteen (14) snow storms during the year.

***Landscape/ Contract Maintenance***

Budget figures reflect the current contract for day-to-day seasonal landscape maintenance and operations of the properties owned and maintained by the Association through the current landscape contractor.

***Sprinkler (Irrigation) Repairs***

Those costs associated with continuing day-to-day maintenance of the irrigation system during the Spring, Summer and Fall 2015, for the properties owned and maintained by the Association.

***Tree Maintenance and Replacement***

Budget figures reflect the estimated costs associated with preventative tree maintenance for all property owned and maintained by the Association along with projected costs for certain tree and/or shrub replacements that may be approved by the Board of Directors based upon recommendation by the Landscape Committee.

***Grounds/Maintenance & Supplies***

Those costs associated with continuing day-to-day maintenance for vandalism, lighting, signage repairs, electrical repairs, etc., that would not fall under the contractual agreement with the current landscape contractor and would not be considered a reserve expense for all of the tracts owned by the Association.

***Social/Recreational Activities***

Budget figures reflect the continued support of the Board of Directors of a social/recreational budget for the Association to continue to convey a sense of "community" to the neighborhood and its respective members. This budgetary line item requires the continued organization, participation and SUPPORT of volunteer homeowners.

## **HOA OPERATING EXPENSES CONTINUED**

### ***Capital Improvements***

Budgeted funding for potential capital landscape projects that may be recommended by the Landscape Committee in 2015 for certain common properties owned and maintained by the Association. All proposed projects must be approved by the Board of Directors.

### ***Holiday Decorations***

Budget figure reflects the estimated costs associated with purchasing as necessary and installing decorations on the main monuments in the community owned by the Association for the holiday season. All proposed holiday lighting must be approved by the Board of Directors.

### ***Legal-General***

This budget category includes estimated costs associated with all general legal processes and opinions initiated by The Farm Board of Directors for the benefit of the Association members.

### ***Legal-Covenant Expense***

This budget category includes estimated costs associated with all types of potential legal covenants enforcement activities initiated by The Farm Board of Directors for the benefit of the Association members.

### ***Legal-Risk Share (Collection) Expense***

This budget category includes estimated costs associated with the new risk share program the Board of Directors entered into with the Associations Collection Attorney's in the Fall of 2012. The risk sharing fee structure gives the Association everything a collection agency and law firm combined could provide all under one service and allows the attorney to share the risk with the Association. The benefits of the program are much lower up front costs to the Association for delinquent accounts turned over to the Attorney. The program provides for the Attorney to receive an agreed upon percentage of all funds collected on accounts turned over. If funds are not collected the Attorney does not receive payment for the collection activity, outside of normal associated costs to be recouped.

### ***Legal-Collection Expense***

This budget category includes estimated costs associated with all types of potential legal assessment and/or penalty collection activities initiated by The Farm Board of Directors for the benefit of the Association members, not associated with the legal risk share program.

### ***Audit, Tax Preparation***

This budget category includes estimated costs associated with the preparation of the 2014 audit and tax return for the Association.

### ***Professional Fees***

Estimated costs associated with outside professionals utilized by the Association for services such as but not necessarily limited to; management/accounting and assessment collection; engineering; drafting services; courtesy patrol and lot clean up on abandoned/foreclosed homes.

### ***Insurance***

Budget estimate includes costs associated with maintaining the general liability, hazard and Director and Officer insurance policies for the Association. This figure does not include required and currently maintained insurance costs associated with those homeowners that are also a part of The Farm.

### ***General Administration***

Budget estimate includes costs for paper, postage, faxes, assessment payment coupons, envelopes, banking service charges, electronic newsletters, subscriptions and memberships along with a variety of other office type supplies that may be utilized by the Association through its Board of Directors or appointed Committees.

### ***Bad Debt***

This budget category is established for potential loss of income by the Association for members that for one reason or another are not paying their monthly assessments in 2015.

### ***Reserves Contributions***

Reserve contributions are based upon the 2011 reserve study as prepared by Aspen Reserve Specialists for all properties owned and maintained by the Association. The Associations reserve contributions are based upon the estimated useful life and associated replacement costs for current capital assets of the Association and should not to be utilized for capital improvements and do reflect an increased contribution for 2015.