

TEMPLE VALLEY RANCH PROPERTY OWNERS' ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING – AUGUST 4, 2020

A called TEMPLE VALLEY RANCH PROPERTY OWNERS' ASSOCIATION, INC. Board of Directors meeting was held via teleconference **August 4, 2020**. Present were directors Deon Stanfield, Gary Freytag and Jim Howe, and Colby Property Management, Inc. President, Glen Colby, and Brooke Wesby.

Call to Order & Quorum. President Stanfield called the meeting to order at 10:01 a.m. and presided over its deliberations. A quorum was certified by the Secretary.

Minutes. The Minutes of the September 25, 2019 and January 30, 2020 meetings were approved as posted on the Association website.

Financials. Directors accepted, July 31, 2020 year-to-date financials (attached).

Manager's Report. Association membership stands at 141, an increase of 33 during the last 11-months. Of covenant violations notices, landscape maintenance and visible trash cans are most prevalent. Manager contacts have been relatively few this year. The Facebook account will be transitioned to a volunteer resident member, as the manager is phasing out of it, due to Facebook identity requirements and potential liability. To determine membership in the closed group, member rolls will be furnished by the manager.

New Business.

1. Director Resignation. Gary Freytag's resignation was accepted with thanks and appreciation for his years of service to the community and HOA. Directors unanimously appointed long-time Valley Ranch resident, Dale Massie, to fill Mr. Freytag's unexpired term. The Manager will provide Mr. Massie with orientation materials to prepare him for board service.
2. Association Bylaws Amendments. The attached amendments were approved and will be recommended to the membership during the 2021 annual meeting in February.
3. Declaration Amendment. Mr. Howe explained that, as Declarant, he is amending the Valley Ranch Declaration to stipulate that dues for Evergreen residents be adjusted to account for operation and maintenance of the entry gate.

Executive Session. Directors discussed delinquent HOA accounts.

Regular Session Reconvened. Directors authorized the manager to file suit in Small Claims Court against any member with a prior year delinquent account balance exceeding \$1,000.00.

Next Board Meeting. The next meeting will be via teleconference, September 23, 2020 at 10:00a.

Adjournment. There being no further business, the meeting was adjourned at 11:04 a.m.

James I. Howe, Secretary

Valley Ranch HOA

Balance Sheet Report

July 2020 (YTD)

| ASSETS | 7/31/2020 | 12/31/2019 | Delta |
|-------------------------------|------------------|------------------|------------------|
| CASH | | | |
| CNB: Operations | 60,386.46 | 29,899.67 | 30,486.79 |
| CNB: Reserves | 15,124.00 | 13,011.80 | 2,112.20 |
| TOTAL CASH | <u>75,510.46</u> | <u>42,911.47</u> | <u>32,598.99</u> |
| | | | |
| TOTAL ASSETS | <u>75,510.46</u> | <u>42,911.47</u> | |
| | | | |
| LIABILITY & EQUITY | | | |
| EQUITY | | | |
| Net Income | 32,292.73 | 0.00 | 32,292.73 |
| Retained Earnings | 42,911.47 | 42,911.47 | 0.00 |
| TOTAL EQUITY | <u>75,204.20</u> | <u>42,911.47</u> | <u>32,292.73</u> |
| | | | |
| LIABILITIES | | | |
| Unearned Revenue | 306.26 | 0.00 | 306.26 |
| Note Payable | 0.00 | 0.00 | 0.00 |
| TOTAL LIABILITIES | <u>306.26</u> | <u>0.00</u> | <u>306.26</u> |
| | | | |
| TOTAL LIABILITY & EQUITY | <u>75,510.46</u> | <u>42,911.47</u> | |

Valley Ranch HOA

Income/Expense Statement

July, 2020

| | Current Period | | | Year To Date | | | Total |
|-------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Budget |
| Income | | | | | | | |
| Assessments | | | | | | | |
| 4019 - Assessments - 2019 | 0.00 | 0.00 | 0.00 | 400.00 | 0.00 | 400.00 | 0.00 |
| 4020 - Assessments - 2020 | 786.84 | 269.00 | 517.84 | 43,748.31 | 40,206.00 | 3,542.31 | 40,825.00 |
| 4021 - Assessments - 2021 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,500.00 |
| Assessments Total: | 786.84 | 269.00 | 517.84 | 44,148.31 | 40,206.00 | 3,942.31 | 45,325.00 |
| Other | | | | | | | |
| 4210 - Entry Fees | 2,800.00 | 400.00 | 2,400.00 | 10,000.00 | 2,800.00 | 7,200.00 | 4,800.00 |
| 4220 - Transfer Fees | 0.00 | 400.00 | -400.00 | 0.00 | 1,200.00 | -1,200.00 | 1,600.00 |
| 4610 - Late Fees | 0.00 | 0.00 | 0.00 | 632.44 | 0.00 | 632.44 | 0.00 |
| 4620 - Interest | 0.00 | 0.00 | 0.00 | 231.36 | 0.00 | 231.36 | 0.00 |
| 4630 - Legal Fees Recovered | 0.00 | 0.00 | 0.00 | 10.00 | 0.00 | 10.00 | 0.00 |
| 4640 - Gate Remotes | 0.00 | 0.00 | 0.00 | 70.00 | 0.00 | 70.00 | 0.00 |
| Other Total: | 2,800.00 | 800.00 | 2,000.00 | 10,943.80 | 4,000.00 | 6,943.80 | 6,400.00 |
| Income Total: | 3,586.84 | 1,069.00 | 2,517.84 | 55,092.11 | 44,206.00 | 10,886.11 | 51,725.00 |
| Expense | | | | | | | |
| Taxes & Insurance | | | | | | | |
| 5020 - Insurance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,400.00 |
| Taxes & Insurance Total: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,400.00 |
| Utilities | | | | | | | |
| 5210 - Water | 16.00 | 50.00 | -34.00 | 156.03 | 350.00 | -193.97 | 600.00 |
| 5220 - Electricity | 50.80 | 120.00 | -69.20 | 390.26 | 840.00 | -449.74 | 1,440.00 |
| Utilities Total: | 66.80 | 170.00 | -103.20 | 546.29 | 1,190.00 | -643.71 | 2,040.00 |
| Maintenance | | | | | | | |
| 5300 - Landscaping - contract | 1,299.00 | 1,320.00 | -21.00 | 9,093.00 | 9,240.00 | -147.00 | 15,840.00 |
| 5330 - Repairs | 974.25 | 100.00 | 874.25 | 3,687.08 | 700.00 | 2,987.08 | 1,200.00 |
| Maintenance Total: | 2,273.25 | 1,420.00 | 853.25 | 12,780.08 | 9,940.00 | 2,840.08 | 17,040.00 |
| Gates | | | | | | | |
| 5500 - Gate Maintenance | 0.00 | 250.00 | -250.00 | 0.00 | 500.00 | -500.00 | 750.00 |
| 5510 - Telephone | 115.89 | 120.00 | -4.11 | 812.68 | 840.00 | -27.32 | 1,440.00 |
| Gates Total: | 115.89 | 370.00 | -254.11 | 812.68 | 1,340.00 | -527.32 | 2,190.00 |
| Administration | | | | | | | |
| 7000 - Management Fee | 410.00 | 410.00 | 0.00 | 2,820.00 | 2,670.00 | 150.00 | 4,720.00 |
| 7010 - Postage | 30.19 | 7.00 | 23.19 | 250.50 | 145.00 | 105.50 | 286.00 |
| 7040 - Website | 0.00 | 0.00 | 0.00 | 107.16 | 0.00 | 107.16 | 0.00 |

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VALLEY RANCH BYLAWS - DRAFT AMENDMENT SUGGESTIONS

Article V

Section 1. Annual Meetings. The Annual Meeting of Members will take place annually each February.

Current Bylaws specify a specific day, the 3rd Tuesday in February.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice at least ten (10) and no more than fifty (50) days before such meeting to each Member entitled to vote at the meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Current Bylaws say that no written notice needs to be given. Recommend that written notice (like you have been receiving each year already) be made a requirement.

Section 4. Quorum. Members holding eight percent (8%) of the votes entitled to be cast, represented in person or by proxy, will constitute a quorum for the transaction of business. Unless provided in the Articles of Incorporation or in the Declaration, every act or decision done or made by a majority of the members who are present at a duly held meeting, either in person or by proxy, at which a quorum is present will be regarded as an act of the Members.

Current Bylaws specify 10%, which is a very high number. Current buildout is 164 homes, which would require 16 households for quorum. 8% = 14 homes. 7% = 12 homes. *In the future, resident controlled HOA's where residents are 'happy', attendance at the Annual Meeting will decline. It is the Board's pleasure as to which percentage to select, or it can be left the same.*

Article VI

Section 1. Number. The affairs of this Association will be managed by a Board of Directors. The Board shall consist of three (3) Directors.

This simply says there will be 3 directors. This is typical for most HOAs.

Section 2. Term of Office. At the Annual Meeting at which this amended Article VI is approved, the members of the Association shall elect the entire Board of Directors to Initial Terms as follows: the candidate receiving the highest number of votes shall be elected for an Initial Term of three (3) year; the candidate receiving the second highest number of votes shall be elected for an Initial Term of two (2) years, and the remaining candidate shall be elected for an Initial Term of one (1) year. At the expiration of the Initial Term of office of each respective Director, their successor shall be elected to serve terms of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided herein. After the Initial Terms as described above, Directors shall be elected for terms of 3 years.

Current Bylaws do not specify a term length. Staggering terms will cause 1 seat to be elected each year, so that continuity is maintained on the Board. The entire Board would not normally be up for election all at once.

Section 3. Removal. Any director may be removed from the Board, with or without cause, at a special meeting of the Association by members entitled to vote more than 2/3's of the aggregate of the vote of both classes of membership. In the event of death, resignation or removal of a director, his successor may be selected by the remaining members of the Board and will serve for the unexpired term of his predecessor. **Additionally, a director is automatically removed for non-payment of assessments or other charges after being delinquent for more than 90 days from the date the charge is levied. Automatic removal does not apply to a director who is in**

good standing as part of a payment plan. Any Board candidate more than 90 days delinquent at a Meeting of Members is ineligible for running for the Board at that Meeting.

We recommend adding the portion in blue; directors that do not pay their assessments should not be determining the direction of the HOA. This language makes removal automatic, *so that the other directors are not having to be 'the bad guy' when voting the delinquent director off the Board.*

Article VII

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held with proper notice at such place and hour as may be fixed from time to time by the Board.

Current Bylaws specify "without proper notice". We'd recommend giving proper notice.

Article XIII

Section 1. Amendment. These Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members in good standing and present in person or by proxy.

Current Bylaws have two ways of amendment, both ending at a meeting of members. This reduces amendments to only being done at meetings of the members. The amendment process will look like what you are experiencing today, namely the board will approve a draft, to be presented for approval by the members.