

**THE RESERVE AT FRISCO
BOARD OF DIRECTORS MEETING
January 5, 2012**

I. CALL TO ORDER

The meeting was called to order at 4:03 p.m. in the Basic Property Management conference room.

Board members present were Jim Melhouse, Jim Hesse, George Yantz, Kevin Allen and Joe Lamb.

ARC members present were Michel Stefannacci, Jim Fuxa and Bob Feuerriegel.

Gary Nicholds and Candy Ramage were present representing Basic Property Management. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Kevin Allen made a motion to approve the September 6, 2011 Board Meeting minutes as presented. Joe Lamb seconded and the motion carried.

III. FINANCIAL REPORT

Candy Ramage reviewed the financial report as of November 30, 2011. The Association was \$8,700 unfavorable to budget overall mainly due to overages in Landscaping (for tree planting) and Legal and Accounting.

The A/R balance has been reduced to about \$2,000 by payments received in December. One owner is in bankruptcy, which may result in \$350 of bad debt. A lien has been filed.

Candy said that a number of expenses reflected on the Reserve P&L were for the ARC and would be charged against the ARC Operating account. Joe Lamb noted that the 2011/2012 Budget was not formally approved so the reports should reflect the figures from the 2010/2011 Budget.

The cash balance as of the end of November was \$130,584. Approximately \$80,000 of that total is encumbered leaving about \$50,000 of available cash.

All Board members were asked to direct financial questions to Jim Hesse and he will discuss them with Candy.

Joe Lamb made a motion to accept the financial report. Jim Melhouse seconded and the motion carried.

IV. TREE PLANTING UPDATE

Kevin Allen said the tree planting project went well. Jim Melhouse commented that the trees were of excellent quality and the planting was very well done.

There are a number of trees that blew down in the common area. They will be cleaned up in the spring.

V. I-70 CLEAN-UP

George Yantz was told by Fire Marshall Skulski, who received a message from Clark Roberts (CDOT) that the work would be done in late spring or early summer, although the state did not receive all of the anticipated funding for highway improvements and repairs and some projects may be curtailed.

VI. GIFT FOR JIM FUXA UPDATE

Jim Fuxa thanked the Board for the gift certificate. The Board recognized him for his service to the Association.

VII. SIGN STATUS

Some of the street signs were stolen by vandals. Most of the signs were found on Main Street. They have been reinstalled with a very strong epoxy to deter future theft. Any signs that were not found were replaced.

VIII. SUMMER MEETING ROOM RESERVATION

The meeting room has been reserved from 8:30 – 11:00 a.m. on July 14, 2012.

IX. LAWYER'S LETTER FOR ANNUAL MEETING PACKET

The attorney was asked to review the letter to the owners that explains the proxy policy change. It is now on one sheet in a reasonably sized font. The new policy specifies how proxies assigned to the Board in general will be assigned at the Annual Meeting. Jim Melhouse made a motion to add the names of the Officers to the proxy form. Joe Lamb seconded and the motion carried.

X. McCUEN DRIVEWAY ISSUE

The Board discussed the issue of the unauthorized installation of pavers by the McCuen's to expand the access to their garage. The following points were noted:

1. The pavers along the driveway have been in existence since the house was built and are grandfathered.
2. The majority of the new pavers are on the town easement and are therefore a town enforcement issue.
3. The town usually only tickets and/or tows cars if they are parked in a manner that impedes emergency vehicle or utility company access. However, this is not a guarantee that the town, at their discretion, will not enforce parking restrictions.
4. Although the town may not be inclined to take action on pavers that are installed on their easement, action could very well be taken if there is a citizen complaint.

The McCuen's wrote a letter to the ARC and indicated they were not aware that the pavers were considered "non-porous" and they believed the installation of pavers was a landscaping rather than hardscaping project. They apologized for not going through the proper approval process. They said they were confused by the ARC comments at the Annual Meeting.

Michel Stefannacci pointed out that the pavers were installed with the clear intention of expanding the driveway, which is not permitted based on the town's 12' width regulation.

Jim Fuxa suggested changing the ARC guidelines to allow pavers along the sides of the driveways instead of pebbles or cobbles. Michel Stefannacci said this would not be permitted since this would expand the size of the driveway.

The ARC felt that they could not approve a variance for the pavers because the pavers were not porous and granting an exception could set a precedent for other owners. For this reason, this issue was elevated to the Board level for a decision.

One additional area of pavers, approximately 18 square feet, was approved by the Board for a variance. That area is on the McCuen's property and does not exceed their permissible property coverage allowance. The remaining pavers are on the town easement. The owners have written a letter of indemnification for the Association.

Jim Melhouse made a motion to approve a variance for the 18 square feet of pavers on the area under the Association's control. Joe Lamb seconded and the motion carried unanimously with Kevin Allen abstaining.

Gary Nicholds was asked to draft a letter to the McCuen's for Board review. The letter of indemnification from the McCuen's will need to be amended. George Yantz asked for clarification from Michal Stefanacci as to whether or not the McCuen's were offered a \$250 review fee instead of the usual \$500 fee. Michal Stefannacci confirmed this offer. Based on the amount of time and effort that was spent on this issue, the Board and ARC agreed that the McCuen's should be charged a \$250 fee for the review of the documents and other associated work. The ARC should receive a copy of all documentation for the files. George Yantz emphasized that this approval should not set a precedent.

XI. ARC SUGGESTION FOR SOLID STAINS

Joe Lamb said the transparent stain is not very effective for covering stained or darkened wood. The ARC would like to allow solid stains for restaining aged wood to provide adequate coverage. Kevin Allen noted that several painting contractors told him solid stain could depreciate the property value. An alternative would be a semi-solid with increased pigment. Michael Stefannacci reviewed the proposed Amendment #1:

"Semi-transparent coloration is required on initial construction. Solid body stain is permitted as maintenance improvement on existing residences in cases where a semi-transparent product would not cover uneven or severe weathering. The goal is to maintain the natural aesthetic of a semi-transparent stain."

Joe Lamb made a motion to add Amendment #1 to the guidelines and to record the amended document. Kevin Allen seconded and the motion carried.

XII. PAVING/MAINTENANCE OF CUL-DE-SACS AND 2012 CREDIT TO OWNERS

Based on the current balance of the fund for repaving the cul-de-sacs, George Yantz proposed crediting the owners \$25/home on the next owner statements. There is \$40,000 available for repaving the two cul-de-sacs. An asphalt expert estimated that the asphalt could be ground down and repaved for a total of about \$20,000 for both cul-de-sacs. A bid of \$20,000 was received for an overlay including milling for both cul-de-sacs. The contractor indicated sealcoating could prolong the life of the asphalt for about 30 years. Joe Lamb recommended sealcoating (including a preservative additive) next summer since the asphalt is now about 15 years old. The Board agreed to table the decision on an owner refund until after the budget meeting.

XIII. ARC 25% COVERAGE PROPOSAL

Michel Stefannacci reviewed the proposed Amendment #3:

“Patios may be concrete, flagstone or pavers. Exterior patios and walkways constructed of pervious materials (e.g. flagstone set in sand) are limited to maximum of 25% of the allowable building coverage.”

There was discussion about setting the limit at 25%. Joe Lamb noted that owners could apply for a variance if they wanted to cover a larger area, but 25% was the amount recommended by the architectural consultant.

Joe Lamb made a motion to approve Amendment #3. The motion failed for lack of a second.

XIV. TREE PLANTING/SPRAYING FOR SUMMER

Joe Lamb said the Forest Service has indicated that it is no longer necessary to spray against pine beetles.

Joe Lamb suggested going to a lottery system for tree planting. Owners who would like trees planted in the common area by their home and are willing to take responsibility for the watering would be eligible to participate. George Yantz stated that this issue would be added to the spring agenda and that Association funds could only be used on the preservation areas. No funds can be used for privately owned lots.

XV. SET NEXT MEETING DATE

The next meeting date will be set by email.

XVI. ADJOURNMENT

A motion was made to adjourn at 6:04 p.m.

Approved By: _____
Board Member Signature

Date: _____