
Meadow Hills Estates HOA

Board of Directors Meeting Agenda and Minutes

Tuesday, March 14th, 2023

6:00 PM- 7:30 PM

Agenda

- I. Call to order Jake Zambrano
- II. Roll Call
- III. Old Business Comparison AMA vs CPM
- IV. New business
- V. Other business
- VI. Brief Overview Reports Treasurer, ACC, Communications,
- VII. Open Forum
- VIII. Meeting Close

Meadow Hills Estates HOA

3.14.23 Board of Directors Meeting Minutes

Roll Call Board Members in attendance

Jake Zambrano President present via Google Meets* (GM)	Judi Warkentin Treasurer Present via GM	Bobby Schiff Member at Large present via GM
Stacey Elswick Vice- President present via GM	Claudia Van Buren Secretary present via GM	Tom Miller Director ACC Chair present via GM
	Tim Parkhurst Member at Large present via GM	

Call to Order Jake Zambrano 6:06 pm

Roll Call / A Quorum is established.

New Business

T.M. spoke related to a request by homeowner on Dawson St for request related to Solar Energy panel installation- on southfacing garage roof.


Stacey spoke regarding the request brought forward for a variance for a Solar project that was requested for a home on Dawson St. The solar units will be mounted to a south facing garage roof. Materials, wind resistance, and company doing the install were reviewed.

Motion brought, 1st and 2nd Motion to approve the variance required - Motion passed 7-0. No Nays, no abstentions.

Old Business - Comparison of Contracts, VOTE

Centennial Property Management (CPM) David and Barabara Ariss versus Association Management Agency(AMA) Rick and Karrie Ezell

JW: Reported she and Bill had done a side by side comparison of both contracts.



Each contract is for their full suite of services. CPM(Centennial Property Management) David and Barbara Ariss is less expensive than AMA (Association Management Agency) Rick and Karrie Ezell. One significant difference is AMA requires a fidelity insurance policy which raises the over all total cost to \$4050 a year. Since MHE does not have employees a fidelity policy is not needed. AMA provides a separate attorney. Both provide a CPA. For a small one time fee CPM will create a website on behalf of Meadow Hills Estates. AMA has a portal through which the web based information for MHE would reside. Both companies offered to update CCand R's, bylaws and create the necessary Rules and Regulations. Both companies would drive/walk the neighborhood monthly to determine CC&R compliance. Both attend monthly meetings. Both companies offered to assist with a residential wide trash collection company contract. Both companies manage both small and medium sized residential communities. Each have beautiful and well kept residential communities. Both companies have residential areas that Trash Service is provided for the whole community included as part of their HOA fee. March notes CPM manages Churchhill nearby, and has offices nearby. AMA maintains offices in DTC.

Our attorney has reviewed both contracts and his comments/comparisons will be inserted here:

The pro/cons list for the board along with a general message that can be forwarded along is below. My general two cents is that the agreement with Association Management Agency, Inc., is the better of the two. It appears they charge less for debatably more and there are less worrisome provisions as I think is highlighted below. I will note that I had more to say about this Agreement because it is longer than the one provided by Centennial Property Services, Inc., so don't let that necessarily dissuade you. Please give me a call with any questions or concerns.

Dear Members of the Board,

Below, are some bullet points highlighting the pros/cons of the contracts furnished by the respective management companies. Generally, it is much more luminary for management agreements to look at the drawbacks as those are what can cause the most headache for the board should things go sideways in the future. Therefore, the majority of the bulleted items are the pitfalls in each proposal. Please contact me directly with any questions/concerns. Thanks.

Association Management Agency, Inc., Agreement:

- **Paragraph 1:** The Agreement provides an automatic renewal after the conclusion of the initial term unless written notice of the election not to renew the Agreement is provided 60 days prior to the expiration of the initial term.
- **Paragraph 1:** The Agreement does permit for its termination after the initial term upon 30 days' written notice. The termination may be for cause or without cause. This provision is poorly drafted and we may want clarification that the Agreement will be terminated at the end of the 30 day period and not at the end of the renewed term. Based on my reading of the provision it would appear that the Agreement would terminate at the end of the 30-day period, but we would want to double-check.
- **Paragraph 2.1:** The company will not collect and delinquent charges or assessments and will only be responsible for sending delinquent notices. Meaning, the HOA would either have to hire another firm or handle collections itself on top of hiring the management company.
- **Paragraph 2.4:** Worth noting that if an audit is required the HOA will be required to prepare one at its expense by accountants of its selection. Not necessarily a bad thing but worth noting.
- **Paragraph 2.6:** The Agreement provides a carve out for the management company's responsibility of supervision of special projects. Special projects are defined as those not part of general or preventative maintenance concerns. Essentially, to have the management company bear responsibility for any special projects the HOA will need to approve the same along with any additional compensation to the management company.
- **Paragraph 2.8/3.0:** Per paragraph 3, the Agreement sets a threshold amount of **\$1,000.00** for nonrecurring contractual expenses that do not require prior HOA consent. This somewhat works in tandem with paragraph 2.8 as well as other parts of the Agreement, where the board cedes authority to the management company for the purchasing/spending of funds on behalf of the HOA. To that end, if the board decides to engage this management company, it needs to decide if this threshold is too high or satisfactory. To the extent the amount seems too high, the board could request a modification to this paragraph requiring a lower threshold. Likewise, the board could determine different threshold amounts that require prior approval that is dependent upon the type of expense. For example, the board could decide that \$1,000.00 is satisfactory for certain expenses but decide a lower threshold is needed for expenses related to purchases of equipment, tools, etc., as provided in paragraph 2.8. This is not necessarily a deal breaker but is something for the board to be aware of.
- **Paragraph 3.0:** Please note, that no HOA consent is required to incur contractual obligation or expense for any emergency conditions.
- **Paragraph 5.2:** Assuming the board understands what a fidelity policy encompasses, this would require the board to obtain a fidelity policy and designate the management company as an insured. Not sure the board wants to incur an additional expense.
- **Paragraph 6.0:** The all-inclusive fee seems appropriate. I will note where else in the Agreement the HOA would incur expenses outside of the inclusive fee. Per paragraph 6.0, the HOA would incur additional expenses for special projects. Additionally, the HOA would bear responsibility/expenses for clerical services such as the preparation and circulation of notice, newsletters, and general correspondence of the HOA.

- **Paragraph 6.1:** Mailings at the direction of the board are billed separately.
- **Paragraph 7.0:** This paragraph caps the number of meetings the management companies site manager is required to attend at 11 board meetings and 1 annual meeting of the members for 1 ½ hours each. It is also provides that if the site manager is required to attend additional meetings a fee of \$95.00 per hour will charged.
- **Section 10.1:** We may want to revisit this clause. There already is an indemnification clause that exists. I do not believe we should bear the expense of attorneys' fees for these types of actions.

Centennial Property Services, Inc.:

- **Paragraph 2.1:** It appears this firm charges two separate fees \$850.00 for the services and \$600.00 for covenant enforcement. If the board wants to handle covenant enforcement, it certainly can to save \$600.00. The board would want to make it clear that it will handle covenant enforcement to not accidentally incur additional expenses. The board should note that the use of the cost-of-living index to determine additional increases for fees charged in subsequent years.
- **Paragraph 2.2:** The board should be aware of the additional expenses it may be charged, which could increase the amount of fees.
- **Paragraph 3.1:** This firm appears to want the board to agree to a three-year term for the Agreement. This is obviated by the fact that either party may terminate the agreement upon 30 days' written notice.
- **Paragraph 3.4:** I would advise removing this provision. I do not like survival clauses, especially if it could bind the board to otherwise objectionable clauses after the termination of the Agreement.
- **Paragraph 3.5:** I would advise removing this provision. I do not want to be obligated to negotiate in good faith to renew the agreement with the failure to do so resulting in some sort of claim against the board.
- **Paragraph 6:** I would advise removing the provision that limits the liability of the management company to either remedying the deficiency in service or returning the client's fee paid for the deficient services. I think we all understand that liability could be much greater than this and we do not want to limit how much the board can exact for deficient performance.
- **Paragraph 7.4:** This clause needs to be removed.
- **Paragraph 7.5:** This clause needs to be removed. The board does not want to be forced to arbitrate and incur the unnecessary expenses associated with arbitration. Not to mention, if there is an actionable dispute, the board does not want to have its hands tied by having the engage in discussion and the provision of detailed written notice should the discussions fail.
- **Please note:** I have a lot more reservations about this company and its agreement than the other company.

Coleman & Quigley, LLC

Stuart R. Foster

Attorney

2454 Patterson Road, Suite 200

Grand Junction, Colorado 81505

(970) 242-3311

Stuart@cqlawfirm.net

Further discussion, JZ Noted preference for AMA, citing a better contract, and a better system for residents for dues payment. SE Questioned whether we should delay and evaluate further prior to making a decision. Several board members expressed concern that lack of effective fair and consistent ACC oversight has gone on too long.


T. M. and JW noted they preferred the CPM group over AMA. Tim Parkhurst is opposed to a management company. CVB recommended that we maintain control over dues collection, and that the language the attorney found concerning go back to CPM for review and modification to our satisfaction, prior to signing any contract. After lengthy comparison JZ brought the issue discussion to a close and asked for a vote.

Tom Miller proposed a Motion to adopt Centennial Property Management as our management company. Judi Warkentin seconded. **Motion** was adopted 5-0 Jake Zanbrano, Judi Warkentin, Stacey Elswick Tom Miller and Claudia Van Buren in favor all voting Aye, with two Nays Tim Parkhurst and Robert Schiff. No abstentions.

Reports

JW noted the website needs work and has several omissions and errors that need to be corrected. Citing a current list of officers requiring update, minutes missing or not posted, directory updates. JZ notes that if the CPM contract moves forward this can be addressed as we transition to their website. A request to pay a resident to do this work was tabled.

ACC SE presented a remodeling request by homeowners on Elkhart to extend a driveway and pavement beyond the fence line to accommodate the parking of an RV behind the fence. No architectural drawings were provided. The RV is currently parked behind the fence. SE noted that removing grass might make this eligible for a xeroscaping grant by the City of Aurora. TP noted that this proposal would be in violation of the CC&R's. **Correction:** Our CC& R's do not



clearly state RV's are not allowed in backyards.T.M. noted this was his submitted request and withdrew the request.

Due to time constraints, meeting adjournment was discussed and agreed upon. **7:36pm Meeting Adjourned.**

7:36pm Meeting Adjourned.