

KING'S VIEW HOMEOWNER'S ASSOCIATION
ANNUAL MEMBERSHIP MEETING
SEPTEMBER 19, 2018

CALL TO ORDER:

President Mary Hertert called the King's View (KV) Homeowners' Associations annual meeting to order at 6:35 p.m. Vice President, Lucinda Larsen and Secretary/Treasurer, Donna Stoner were both in attendance.

All the residents in attendance including the officers introduced themselves. Mike Parks and Alicia Criswell of Coldwell Banker Commercial Prime Properties (CBCPP) were present and introduced themselves as well.

Initially it was not determined if a quorum was met as people continued to arrive. Later in the meeting it was determined that a quorum was met with 29 households being represented, 25 in attendance and 4 by proxy.

Minutes: Donna Stoner, the Secretary/Treasurer offered to read the prior year's annual meeting Minutes (September 28, 2017). With no requests, Michael Day made the motion to approve the Minutes as written. The motion was seconded by Ron Odie and carried.

Financial Report: Secretary/Treasurer Donna Stoner gave a financial report which was a summary of modest interest gains in balances of the KV savings account and the Certificate of Deposit (CD) from a year ago. Collectively they form the "reserve" and as of the last interest payments dates they equal \$12,527.71. Donna pointed out the next CD interest maturity date is October 28 and that the signatories on the CD are not any of the current Board members and one signatory has moved out of the subdivision. Rolling the funds of the CD into the savings account, to avoid continuous name changes, resulting in a loss of some interest was discussed. Bruce Ricks suggested looking into on-line savings account in order to get better rates in general. Mary Hertert agreed that was something which could be looked into prior to the next maturity date.

The 2019 operational budget was discussed. As proposed there is a \$500.00 shortfall from the amount of dues taken in at \$60/year/household and the anticipated expenses of 2019. It was recommended to increase the annual dues to \$70.00. More discussion occurred including what the reserve money was for and specific expenses outlined in the budget. It was noted that the printing and postage has increased. The expense of a HOA management company and how the Board had selected CBCPP was also discussed. Mike Parks of CBCPP detailed some of the services provided by their company. He explained how their newly formed company branch

stepped in as an attempt to service the contracts of a Better Alternative Management (ABA) as ABA rapidly went out of business. The Board discussed the rapid departure of ABA and how they went about selecting a new management company including contacting a number of other companies and receiving and reviewing two other bids before accepting that of CBCPP's. CBCPP has agreed to maintain the same contract price as ABA for a year while actual budget costs and their work effort is being determined. The Board made the point that it would be difficult for the Board to manage the HOA without the expertise of a management company. The increased work load on the Board members would make it difficult to recruit Officers for the Board without the management company's assistance. It was pointed out that the management company collects the HOA dues, pays KVs bills, prepares or has our taxes prepared, helps with handling neighborhood complaints, handles legal issues including liens and provides documents for Real Estate transactions.

It was noted that the proposed budget for 2018 had also had a small shortfall that didn't actually happen. Taken together; the small shortfall of the proposed budget of 2019, the amount of money in Reserve, and the fact the last anticipated shortfall did not happen a vote to increase the dues was taken and denied. With a wait and see approach the members voted 14 to 13 not to increase the dues for 2019 and reconsider a budget increase at the next annual meeting.

Kathleen Morris made the motion to approve the budget as written. Gavin Gibson 2nd the motion to approve the budget and the ayes carried the vote.

Old Business: President Mary Hertert gave an update about the resolution of the trash and noise problems that were brought to the Boards attention at last year's meeting. We thank her for her oversight on these issues. Galvin Gibson gave an update on his fence repair efforts and told the Board that he had not requested to be reimbursement for materials because he had the necessary items on hand. We thank Gavin for his work on the fence.

New business: New business was dominated by a lengthy discussion of short term rentals, Airb&bs. Mary Hertert wanted the HOA membership to vote on whether they thought the Board had properly interpreted the Covenants, Conditions and Restrictions (CC&Rs) with regard to in-home businesses, when the Board authored a Project Narrative related to the first request to permit an Airb&b in KV. The City of Fruita (the City) Planning Department requests a Project Narrative from subdivision officers as part of their review process for proposed businesses. The planning Department then makes a recommendation to the City Council regarding the business permit application.

Rebecca Watkins, owner of the only City of Fruita approved Airb&b in KV, gave a discussion regarding the extensive City permit application process. She also discussed the separate requirements of Airb&b including background checks of both the owners and renters. She

indicated that her business is doing well, is without issues and that she enjoys it and the people who stay with her.

Most of the KVHOA membership comments were positive. There was some concern for liability issues. Ms. Watkins commented on insurance provided by Airb&b as well as their own and that of tenants as well. A bigger concern was expressed regarding how many Airb&bs might be coming into the neighborhood. Mary Hertert said that she had been approached about another Airb&b on Squire Ct.

Leon Garcia commented that the Board had “approved” an Airb&b in KV without a subdivision wide discussion. The Board pointed out that they did not “approve” the Airb&b, as that is the responsibility of the City. The City determines if requirements have been met and whether to issue or deny any requested permits. The Board simply evaluated the Watkins’ proposal against the CC&Rs only. Leon Garcia also expressed concern that there may be as many as three other Airb&bs operating on Crown Ct. Rebecca Watkins responded that she could contact Airb&b and find out. The Board indicated that there are no other Airb&bs permitted in KV that they are aware of and that anyone could likely go on line and see if others, besides Watkins’ are advertising.

Some discussion was given to amending the CC&Rs. Donna Stoner and Doug VanEtten pointed out that the CC&Rs are restrictive and limit in-home businesses already. An example is that the size/square footage limit makes it impossible to rent an entire house out on a short term rental basis.

Doug VanEtten made the motion to approve the Boards interpretation of Section 24, 1-9 of the KV CC&Rs and he read the provisions of 1-9 to the KVHOA membership. Colleen Nycum 2nd that motion and it was carried 24 to 1.

Bruce Ricks made a motion to review and make changes to the CC&Rs in one year. Michael Day initially 2nd that motion. Doug VanEtten, a member of the City’s Advisory Planning Commission, offered that the City was looking at numbers/concentration of Airb&bs Citywide. Doug stated that when the review of the Watkins’ Airb&b proposal came before the Commission, he recused himself from that review.

Michael Day withdrew from the earlier motion made by Bruce Ricks and instead proposed a motion to revisit the idea of reviewing the CC&Rs after the City has made their determination regarding number/concentration of Airb&bs Citywide. Colleen Nycum 2nd that motion. Twenty-five (25) yes votes carried that motion.

Doug VanEtten reiterated that the size/square footage restriction in the CC&Rs, more than any other gives KVHOA control.

Elections: With time running short, Donna Stoner nominated Tana Irwin as Secretary/Treasurer. With no other nominations Donna Stoner made the motion that Tana Irwin be appointed to the Secretary/Treasurer position. Peggy Curtis 2nd the motion and the ayes carried the vote.

Mary Hertert made a motion to adjourn the meeting. Kathleen Morrison 2nd the motion. The meeting was adjourned at 8:30 p.m.