

TC HOA Annual Meeting

12-17-09

7 PM

Participants: Daphne Reitz, Rochelle Mitz, Gerald Clamors, John Clock, Cynthia Selder and Gayle Voyles and Don Lickteig along with approximately 35 homeowners.

President Mitz welcomed homeowners and explained that she wanted to introduce a couple of people – Gerald Clamors and Daphne Reitz (both stood) are both on the board. The three of us have been meeting so much the last couple of months. She announced that she would be rotating off the board. I wanted you to know that Gerald and Daphne will continue to serve as board members. Happy and healthy holiday; I hope it is a good one for you.

Normally, we read the previous annual meeting's minutes, but tonight I will give you a brief summary; you can ask to see the entire minutes, anytime. Summary – John Clock, Tiehen Management Group, presented a year to date expenses and income for 2008 and explained the new 2009 budget to be voted on. He explained why at that point a dues increase was necessary. Next, we nominated and elected two new board members. Gerald came in; Daphne was nominated from the floor; Gerald and Farrah were voted on; later Farrah resigned and Daphne joined the board.

2010 Information

Financials Report – Given by John Clock

Welcome – Who doesn't have a handout? First off – summary of our current financial status Nov, 2009 – our Year to Date income is \$784,765; expenses are \$ 708,584 (less than expected). Net income of \$55,769, at end of November; as we go through the rest of the year this number will change. However, we are sitting at a good situation.

2010 Proposed Budget was presented by John Clock

I am happy to announce that the proposed budget has NO DUES INCREASE. The board continued to ask questions and came up with ways to save some money to avoid a dues increase. Turn a page in handout – working with same income as in 2009; the rest of income has been modified somewhat, but projected at \$828,000. Bottom line; we'll be working with a similar budget as in 2009. (refer to packet). Utilities' expenses were based off historical data and include a 6% increase; taxes should be less; insurance went up 1.5%; \$636,184 total operating expenses.

Non-operating expenses \$7,200 into reserves during 2010-2011. No dues increase and still putting money into reserves. Under the circumstances, this is a compromise. Asphalt patching; painting in 2010, siding repair; money for painting, soffit repairs and roof repairs \$827,884 expenses –leaving a \$116.00 balance.

Last page – pie graph illustrating breakdown of key expenses:

Administration \$147,084 (18%); Service Contract \$144,160 (17%); Repairs and Maintenance \$117,810 (14%); Utilities \$161,555 (19%); Taxes and Insurance \$64,700 (8%); Misc. \$875 (0.5%); Reserves \$7,200 (1.5%); and Capital Expenses \$184,500 (22%).

Questions: Will we put anything into **reserves** during 2009?

John Clock: earlier in the year we did. As the year went on, we didn't spend as much as we thought. At the end of the year something similar to \$40-\$50,000 should go into reserves.

Pond Issue – Will we dredge them this year?

This will be discussed by the new board in January. It has been a topic of debate for a couple of years— it is around \$125,000 to dredge the south leg – includes \$12-15,000 expense for building a wall under the water to slow down the process for future –less expensive dredging.

Dredging – every 6-8 years should be done.

Adding the wall will facilitate future dredging. Out of reserves, special assessment, or dues increase would be needed to handle at this point in time.

About how much is roughly in reserves? At the end of November (in CDs and Money Market Accounts). It is continuing to grow. \$373,50 Jim Tiehen has always thought this property should set the goal at \$500,000. Working towards that goal is a good idea.

Other budget questions: Net income is larger because we didn't spend as much as we thought we'd need to spend during this fiscal year. One reason...proposed annual budget required guessing for snow removal – low this year in comparison to other years. So far, we've been lucky; Taxes – less – money earned on interest. John thanked everyone for coming to the meeting and wished them a happy holiday. The board thanked John for his patience with board members.

Discussion on By Laws/Declarations/Voting

We have five committees: Social, Landscaping, Covenants, Architectural Standards, and Technology. If you have time and a desire to serve on a committee please let Cynthia know you are interested. The chair of the committee will then contact you.

Elections – We will introduce the homeowners who are running for the board and then we will discuss the By-Laws – Linda South, Tom Scanlon, Gayle Voyles, and John McKelvey/Covenants Committee members are all present tonight.

Gayle Voyles – Has lived in the complex for the past ten years and has served on the HOA Board for two terms. She rotated off, as per the governing documents, last year. When she learned that the current board was unable to keep minutes of their meetings she volunteered to continue keeping them for the last three months. She has also served on the social and covenants committees. She explained that she is the Director of the UMKC Center for Economic Education and that her experience prepares her assist the board as they analyze community issues from both short and long term points of view/from an

economic perspective. She further explained that her goal was to help protect all homeowners' investments and to help re-develop a sense of community.

Don Lickteig – Moved in 2004; lived here two years; left for business and has returned. His interest is to keep homeowners involved in their community. Same things in mind – protect investments and have fun while doing it. Background experiences: Business owner, business broker in the past. I am single and widowed for nine years.

Joe So –Third year law student; married and will be starting a family soon. He explained that his wife is a first grade teacher near here and that they are around and about a lot. Jo stated that they have lived at TC since about 2003, but have been in the KC region for the past ten years. We've been busy with church ministry and I am in my third year of Law School at KU. I am currently in a place where I can give back to the community. I have done grad work at a medical center and I have experience working with other boards. I have worked with various committees and with a board that is going through restructuring. I am happy to serve in any way I can. I am excited.

Rochelle asked if there were any nominations from the floor; there were none. Then are we ready to close the nominations? A homeowner made the motion; it was seconded and approved.

When you are ready to leave here tonight Daphne and Jori (raise your hands) have revised the Architectural Guidelines and Rules and Regulations. We have copies for each of you; neighbors unable to come tonight may contact Cynthia and pick up their copies. We will take care of homeowners who are not living within our complex.

Daphne – some rules and regulations and architectural guidelines may have changed. We will start enforcing these mid to end of January. We will be giving our warnings.

Rochelle - I want to thank another group:

Building Captains – Helped get homeowners' proxies, answered questions, etc.

By-Laws and Declarations Revisions

Linda South will answer any questions and the Ballots for Board Members to be elected were collected.

Discussion regarding By-Laws and Declarations Revisions

If you have put a proxy in, it can stand or we can pull your original proxy and then vote tonight.

Is anyone sitting on a large number of proxies that you will submit tonight? No.

Linda South and Tom will field questions –

Linda – You've heard about the Covenants Committee (this has been a culmination of 4.5 years of work for this and previous committee members) this will be our second attempt to amend the governing documents.

One page sheet of revisions – mailed out in Oct. of this year – two documents

Brief description – Declaration – governing document which defines the physical properties and attributes

By-Laws – Operating Instructions

Any questions –

Clarification needed regarding Section 13 Amendments – New By Laws –

The homeowner was questioning at the end of sentence –Declarant –whether it should have been stricken as throughout much of the governing documents.

Linda South said that was an excellent question – we tried to strike declarant throughout most of the documents; However, early on (as in this paragraph)there has to be a declarant – now we (the association) is the declarant. It does belong in this place.

Several people asked John McKelvey – Why do we need to change our documents?

Linda South explained that previously the complex was owned by Pauls Corp. and was a rental property. Now, it is 100% homeowner owned and that the board and committee were trying to make the governing documents better fit our community.

By-Laws and Declarations – cross reference – so if you change one you have to conform them together.

Question – Was there any discussion with regard to restricting the number of rental properties?

Linda: I can't say any defined discussion – I do know this has come up in the past – Tom Scanlon – Whether the board decides they want to restrict they would make the recommendation and get it approved—you couldn't restrict those who bought with the option of renting. If the economy doesn't improve – homeowners may need to rent property if they can't sell.

Any homeowner, under KS law, is under this – discrimination issue

I belong to another HOA that does have a restriction.

We are bound by the apartment ownership act. As a member of the board, I question presently if we'd want to do anything because of the economy – people transferred, some having to give up home, are able to rent.

What we're voting on doesn't have anything to do with this issue – for clarification.

Do you know what percentage is rental?

When we put the town meetings together – we noticed 62 rentals at that time; this is a small percentage for the size of our complex (356 units).

Homeowners thanked Linda South for her guidance throughout the revision process and to Rochelle Mitz, the current President who will be rotating off.

Rochelle - One thing the board discovered is that we have the packages that are picked up which requires Cynthia has to sign everything in, distribute packages, and the large volume is keeping Cynthia from being able to handle regular business. The board is asking for volunteers to help with accepting and distributing packages in the afternoon. In the future, packages will have to be picked up in the afternoon; if we don't get volunteers we will have to stop the service. We need volunteers to help (Carolyn and Jori have previously stepped in to help). We need to get volunteers to handle this job – pass the word. If we don't see people stepping up we will have to stop the package service.

Homeowner question: Are you expecting someone to do it five days a week?

No, different people certain days of the week. 3-6 was the ideal time we were trying to get volunteers to handle. If you want the service to continue...people will have to sign to pick up packages. Let Cynthia know if you are interested; you can't sit and visit with Cynthia – she has work to do. Bring a book to read, or whatever to keep you busy. This isn't just a seasonal thing.

Make sure you read signs while getting your mail. There will be no trash pick-up on Xmas and New Year days. Visit with future board members on your way out if you like.

The meeting was adjourned at 8 pm.

Respectfully submitted,

Gayle A. Voyles

TC HOA Volunteer