



ANNUAL MEETING  
OF THE MEMBERS OF  
EAGLEPOINTE TOWNHOME OWNERS ASSOCIATION, INC  
May 14, 2008

Meeting began at 6:10 pm

Phil Case – president – introduced the "staff"  
Jack & Linda Mason – builder/developer & sales  
Jeff Case – Property Management  
Connie Martin – admin assistant  
Melanie McDade – admin assistant  
Devon Forhan – accounting for HOA

Jack Mason:

- Acknowledge our first elected HOA board member – George Calhoun
- Sales Volume – slow right now – better than most
- NOT reducing the selling price – have not and will not
- We are required by the CCIOA (Colorado Common Interest Ownership Act) to hold an annual meeting – there were no notes from last year – Connie is taking notes for this years meeting. Minutes for this meeting will be available. This is a non-voting meeting.
- When we have sold 50% of the townhomes (32) (28 townhomes have been sold to date), another member will be voted in –
- When we have sold 75% (48 units) - another voted in
- At 90% of sales (58 units) control is turned over to the HOA – and we step out

2 new rules to be discussed:

- Illegal occupancy/sex offender/felons
- Dogs & clean up
- How we came about new rule – The new rule is the result of being asked by a perspective buyer, who is now an owner, of how we prevent sex offenders or felons from buying. Leonard Rioth, our attorney researched and put it into place – although it has not been recorded, it is definitely in force.
- Dog poop – owners responsibility – discussion on where you could walk your dog – and a couple of complaints on the grass from urine – no other discussion

## Financial reports:

- Financial packets handed out (see attached copies)
- Operating Statement – expenses. During development & construction stages some of the operating front end expenses that the HOA cannot cover – Developer/owner covers for you.
- Questions:
  1. Professional fees – for accounting and taxes
  2. Landscaping – based on full services, mowing, pruning, maintenance, etc. on an annual contract of \$1,000 per month paid out over 8 months.
  3. Snow – if there is 2” or more of snow they come before 7:00 am. We pay per use for snow shoveling this is paid in arrears.
  4. Snow removal is an annual contract paid for as needed in arrears
  5. Landscaping – is maintenance, mowing, etc. They do charge extra for planting flowers. This budget amount should be adequate until 50-55 units are sold.
  6. Landscaping on new builds/behind the buildings is not part of the HOA, this is part of the development costs.

## Balance Sheet:

- See sheet A – B – C (attached)
- At closing 2 months of HOA dues are put into a segregated, interest bearing account that the developer cannot use. This is the “Working Capital” account available only to the HOA.
- All other HOA money is available for use, maintenance, etc (see budget sheet)
- We have decided to set aside \$27.32/per unit per month that will be put into a segregated account allocated specifically for reserve items – this is set aside as an additional protected amount.
- The initial balance shown (\$14,944.04) was calculated from date of closing for each owner to April 1, 2008 at the rate of \$27.32 per unit/per month. The developer contributed a like amount (\$27.32/unit/month) for each of the unsold units that were in recorded phases until that unit was sold.
- Questions:
  1. How is the \$14,944.04 affected? It is on going – we will contribute \$27.32 per unit per month as described.
  2. When do owners take over HOA? At 90% of sold units – developer turns over to the HOA (HOA has control)

## Cash Flow Statement:

- Overall summary for balance sheet & operating statement (see attached)
- Separate sheet (A) is used to explain the differences
- Right now it's a tough market – slow progress

## HOA Reimbursements:

- See sheet for notes
- 2006 – Developer is absorbing
- 2007 - \$21,405.11 will be reimbursed to Eaglepointe Venture (EPV)
- 2008 – will be completed at years end to average assess a value – for reimbursement to EPV
- April balance sheet will show a deduction of \$21,405.11

## Open for questions/answers:

- The lot to the south (Wildgrass) what is going on with it?
  1. Development Plans have been approved by the City Planning, you can go down to the City Administrative Building at Nevada & Colorado and see them. That community will be all patio homes. It is purely residential, not commercial.
  2. Will there be a wall/fence built between them and us? **They** are required to put up a wall – their nearest building will be 106' from any of Eaglepointe's.
  3. Jack stated it will be good for us - ?? why?? Because of the traffic it will produce and it will show the quality and amenities of our community.
- New rules – each homeowner received a letter and a copy in the mail
  1. Sex offenders – felons
  2. Dogs (owners) assessed fines and fees
  3. These rules are available on our web-site  
[www.eaglepointetownhomes.com](http://www.eaglepointetownhomes.com)
- Paving & landscaping:
  1. Paving & landscaping begin next week at the far west end of the property– needed to wait for the drywall to be complete (very heavy trucks)
  2. Construction time for phase 4 – 120 to 150 days
  3. 64 units – closed 28 – 13 available – 4 under construction
- Miscellaneous questions/answers:
  1. How many rentals? We have 3 rentals – and by law can have 30% rental units (or 19 units), but we have restricted it to 10% (6 units)

2. Who is responsible if tenants are not following rules? It is the owners responsibility to make sure they are aware of the R & R's
3. Who is responsible for changing the light bulbs on the garages? It is the owners responsibility – we are not here at night and do not know which lights are not working – let Linda know the address and she will let the owner know.
4. Tower lights – who's responsible? The HOA – Beth suggested we number the light poles so it is easier to call in if a light is out.
5. The walk to the pool (ramp) has a large lip in it – (being repaired next week)
6. Fritz – tower light by his unit recently had the bulbs replaced out again –
7. 281 #106 – basement crack due to construction in the corner and @ the windows –
8. 281 #105 – garage slab has a large crack in it
9. 5929 #102 – separation of asphalt @ garage – holes, cracks – Lafarge will be correcting that within 2 weeks
10. 5974 #103 – gave note to Linda – looks bad (I missed what looked bad)
11. Bldgs 3 & 13 – dead shrubbery will be replaced with in 2 weeks
12. No water spigots on exterior of units – per Engineering report and soils condition, not allowed to have exterior spigots, only at the clubhouse
13. Bldg (a couple of units) check the water downspouts – making large crevasse

Phil – thanked each for their remarks – in order to keep a community viable it takes involvement, ask questions, get involved.

Meeting adjourned – 7:25

## HOA Reimbursements to Eaglepointe Venture, LLC

Vendor	2006	2007	2008 - thru 5/31/08
American Family Ins.			
Commercial Umbrella	\$ 86.00	\$ 325.01	\$ 112.49
Business Owners	\$ 5,357.80	\$ 8,327.30	\$ 4,390.14
Directors & Officers	\$ 59.20	\$ 156.25	\$ 70.33
Total insurance	\$ 5,503.00	\$ 8,808.56	\$ 4,572.96
Bestway Disposal (trash removal)	\$ 305.65	\$ 1,420.98	
Colorado Springs Utilities/Clubhouse	\$ 8,718.54	\$ 16,029.46	\$ 5,579.88
Colorado Springs Utilities/sprinklers	\$ 1,250.29	\$ 3,208.41	\$ 616.10
Springs Security/Clubhouse	\$ 479.40	\$ 479.40	\$ 199.75
Comcast/cable	\$ 431.35	\$ 687.55	\$ 296.01
Taxes/Clubhouse - common area	\$ 4,153.95	\$ 4,153.95	\$ 4,598.69
Blue Dolphin	\$ 4,428.73	\$ 6,249.51	\$ 3,485.96
Mountain Crest/landscape		\$ 1,121.91	
	\$ 25,270.91	\$ 42,159.73	\$ 19,349.35

\* HOA reimburse Eaglepointe Venture @100%

**10,229.54**

\*\* HOA reimburse Eaglepointe Venture @ 35%

**11,175.57**

\*\* Developer (EPV) @ 65%

**20,754.62**

**Total reimbursement due to EPV**

**21,405.11**

**Operating Statement**  
**March 2008**  
**All Owners - Consolidated by Owner**  
**Eaglepointe Townhome Owners Association**

	<u>Current Month</u>	<u>Year to Date</u>
<u>Income</u>		
HOA Income	4,500.00	13,723.53
Interest Income	4.12	12.12
<b>TOTAL INCOME</b>	<u>4,504.12</u>	<u>13,735.65</u>
<u>Expenses</u>		
Maintenance Expense	0.00	85.24
Management Fees	782.00	2,346.00
Gardening/Snow Removal	2,084.88	7,056.69
Trash Collection	314.96	629.92
Professional Fees	715.00	840.00
<b>TOTAL EXPENSES</b>	<u>3,896.84</u>	<u>10,957.85</u>
 <b>NET OPERATING INCOME</b>	 <u>607.28</u>	 <u>2,777.80</u>

**Balance Sheet**  
**March 2008**  
**All Owners - Consolidated by Owner**  
**Eaglepointe Townhome Owners Association**

Cash in Bank - Operating	25,460.99	
Savings - Working Capital	10,553.23	
Savings - Reserve Replacement	14,944.04	
		<hr/>
Total Assets		<u>50,958.26</u>
Reserve Replacement	14,944.04	
		<hr/>
Total Liabilities		<u>14,944.04</u>
Retained Earnings	33,236.42	
Current Year Earnings/Loss	2,777.80	
		<hr/>
Total Capital		<u>36,014.22</u>
Total Liabilities plus Capital		<u>50,958.26</u>

**Cash Flow Statement**  
**(As a Percent of Actual Income)**  
**March 2008**  
**All Owners - Consolidated by Owner**  
**Eaglepoint Townhome Owners Association**

	<u>Current Month</u>	%	<u>Year to Date Balance</u>	%
Scheduled Rent	0.00		0.00	
Operating Revenue				
HOA Income	4,500.00	99.91	13,723.53	99.91
Interest Income	<u>4.12</u>	0.09	<u>12.12</u>	0.09
Total Operating Revenue	4,504.12	100.00	13,735.65	100.00
Operating Expenses				
Maintenance Expense	0.00		85.24	0.62
Professional Fees	715.00	15.87	840.00	6.12
Management Fees	782.00	17.36	2,346.00	17.08
Gardening/Snow Removal	2,084.88	46.29	7,056.69	51.37
Trash Collection	<u>314.96</u>	6.99	<u>629.92</u>	4.59
Total Operating Expenses	<u>3,896.84</u>	86.52	<u>10,957.85</u>	79.78
Net (Loss) Income from Operations	<u>607.28</u>	13.48	<u>2,777.80</u>	20.22
Beginning Cash Balance	39,863.15			
Increase (Decrease) from Net Income from Operation	607.28		2,777.80	
Increase (Decrease) from Owner Capital Accounts				
Retained Earnings	(10,955.32)		33,236.42	
Increase (Decrease) from Other Accounts				
Savings - Working Capital	(4,054.12)		(10,553.23)	
Savings - Reserve Replacement	(14,944.04)		(14,944.04)	
Reserve Replacement	14,944.04		14,944.04	
Ending Cash Balance	<u>25,460.99</u>		<u>25,460.99</u>	

Eaglepointe – March 31, 2008 - Financials

- A) Working Capital  
\$10,553.23 – As of December 31, 2007, we showed a Working Capital balance of \$6,499.11 (was not correct – actual calculations, as of March 31, 2008, show \$10,440 + interest = \$10,553.23) therefore added \$4,054.12, from cash available, for a total of \$6,499.99 + 4,054.12 = \$10,553.23
- B) Reserve Savings  
\$14,944.04 – We arbitrarily decided to create a Reserves Savings Account. The total amount calculated at \$27.32/unit/mo over the appropriate time frame (from date of closing) is \$14,944.04. The homeowners owed \$10,955.32 and the developer owed \$3,988.72 (for the unsold units). The developer made a direct contribution to the HOA on April 14, 2008 (check #3070)
- C) Retained Earnings  
\$33,236.42 – As of December 31, 2007, we showed Retained Earnings of \$44,191.74. \$10,955.32 was transferred from Retained Earnings to the Reserves Savings Account. Retained Earnings is now shown as \$33,236.42