

## Single Family Special Meeting - June 20, 2011

In attendance: Dick Heriot, Bruce Welch, Trent Adams, Todd Kiger  
Pat Russell & Shannon Walton

President Heriot opened the meeting promptly at 6:30 P.M.

Dick prefaced the discussions with the following remarks.

"Good evening and thank you all for coming. For those of you who may not have attended our regular meetings, I will introduce those of us at the table here tonight. Dick Heriot, Pres., Bruce Welch, Tres., Brian Cesero, ARC chairman, Todd Kiger, V. Pres., Pat Russell, Sec., Shannon Walton, Mgmt. & Trent Adams, declarant.

The purpose of this meeting is for this group to discuss various sections of the covenants and bylaws to insure that we all have a clear understanding of these documents and are operating on the same page. For the audience, when we finish, you will have the opportunity to speak your thoughts and any questions. In preparing for this meeting I re-read the covenants and bylaws for both the Master HOA and the Single Family HOA. Each time I read these documents I learned something new. In fact, I discovered that we are operating in violation of our covenants and bylaws. By this I am referring to the boards of both the Master and SFH HOAs. I don't think these mistakes are intentional, but rather a case of not closely reading and understanding. What these documents require of us. To get us started I want to call our attention to several items in these documents and if necessary, discuss whether or not we agree on each item. Some will be self evident and mentioned only for background.

1. Master Assoc.- who belongs- P-3 and P-6

Sub-associations are members- individuals lot owners are not members.

Also, each Sub-Assoc. has its own covenants P-6

2. Voting rights - Each Sub-Assoc. has the number of votes corresponding to the number of Class A lots- P-8. Each Sub-Assoc. appoints one representative to vote its desires at the Master Assoc. P-9 (Art.III.Sec.2 (C).

3. How are directors of the Master Assoc. elected. Master Assoc.bylaws,P-4Para.4B, 1-6. This is a process we have been doing wrong, however, it's a problem that can wait until the next annual meeting and election to solve. First we have to determine how many Board members we want i.e., Four plus one by declarant. Second, those members are elected for 1-2-3 year terms (just as SFH Assoc.). It is somewhat unclear who votes- the sub-Assoc.s or all residents (para.4, P-4)say that all members will vote and "members" in lower case, so I assume all residents vote.

4.ARC - This is an extremely powerful Committee. In fact this committee has more authority than any of the boards including the Master Board. Recognizing the extreme authority of this committee, I read carefully to determine how the committee is formed. The answer is in the Master Covenants- p-18,Art.VI,Sec. I, para.G--Read- you will note that the word Members is capitalized which indicates that the Sub-Assoc.s, which make up the Master Board, votes for the individuals who will make up this committee.

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Members of the Master Board is defined on P-%, Sec.17. Conclusion: Right now we have no legal ARC. Recommendation: Send out a notice via email and website or have management mail out notice soliciting candidates for the committee. Each candidate should submit their names, with a short statement explaining why they want to serve on the ARC and how they feel about upholding the-----intent to to all covenants and bylaws. This statement should also include a statement that they have read all the covenants and bylaws. When a slate of candidates have been compiled, mgmt. will send the slate to the pres. of the Master and all sub-assoc.s. Each sub-assoc. will then meet and instruct it's representative how to vote. This process could take up to 60 days. Interim: In the interim we should request that the residents, if possible, hold their requests for ARC action until we have constituted a committee. If a request is urgent, send the request to management who will send to the Master Board and the Sub- Assoc.Board impacted for the request. The two boards will then take appropriate action on the request.

5. The next thing we should consider is the voting rights of the declarant. (S>F>H> covenants Art.III, Sec. 2 (a),(2)ii(P-7) As of Sept.1, 2006 all Class B lots With 3 votes per lot converts to Class A lots with one vote per lot. This will come into play at the annual mtg. elections and determination of a Quorum

6. Last: Rights of SFH Board.

A. Right to make, amend and enforce regulations governing the use of common areas and SFH lots.

B. Right to hire a management co. (SFH bylaws P-7).

7. My last recommendation is we should hire a lawyer, specializing in HOA matters, to read and understand our covenants and bylaws so when we have a question he/she can be called for resolution

Discussion began with Mr. Welch making several references to articles in the Master Covenants. References were made to SFH covenants Sec. I-12 and 18. Also Art. 6- Sec.I-a,b,c,d,e.

A motion ensued with declarant assuming responsibility for decisions of the temporary ARC.committee. Vote by the Board as follows:

Against: Mr. Heriot, Mr. Kiger For: Mr. Welch, Mr. Russell & Mr. Adams

Motion carried.

Master Board will assume the responsibility to pursue and attorney.

Audience remarks:

Requests that all minutes of each Board and the ARC be sent to KV communications website.

A question of "No Solicitations" in K.V.

Answer by Russell: some times rules of operation are just plain common-sense i.e. who determined speed limit, hours of pool opening, charges for use of clubhouse...directors of all boards must make these rules.

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Meeting adjourned by Mr. Heriot at 8:25 p.m.

Respectfully submitted,

Pat Russell, sec.