

**SPECIAL OWNERS MEETING**  
**HEREFORDSHIRE CONDOMINIUM ASSOCIATION**  
**May 25, 2010**

Brent Greenwood opened the meeting at 6:00 pm. Board members present were Brent Greenwood, Jerry Walters, Doug Zollinger and Bud Carnahan. Jan Carnahan, secretary to the Board, took the minutes.

Brent Greenwood welcomed one new Owner, Clint Ward of Unit 120, and any visitors. He also thanked Ray Kimber for providing the meeting room and amenities. Brent then introduced Richard Jones, the attorney for the Association, John Webster, the attorney for Ray Kimber, and Jessie Swenson, the Association bookkeeper.

There were 34 owners present (representing 26 units) plus proxies from 8 other Owners for an 85% representation.

Brent Greenwood advised that the meeting was to be limited to issues regarding the Restated and Amended Declaration (CC&Rs). Richard Jones then explained the "Recitals" at the beginning of the CC&Rs.

Bud Carnahan explained that Owners were requested to submit their changes to the CC&Rs in writing to the Board but he only received comments from three -- Geoff Cox, Glenda Gannaway and Janice Hansen; however, other Owners will also be allowed to give their comments.

The first item Bud brought up in the Revised and Amended Declaration (CC&Rs) was Authority of the Board, Section 3.2 (i) on page 9. The amount the Board can expend without owner authorization was increased from \$5,000 to \$15,000. Geoff Cox suggested that we add to that clause that there shall be no series of sub-increments that would increase the total to over \$15,000. Ray Kimber proposed that the \$5,000 expenditure limit be changed to a percentage of the Association's annual income. Richard Jones suggested putting language in the CC&Rs to tie the limit on expenditures to the consumer price index.

Under Vehicle Parking, Section 4.2 on page 10, Geoff Cox suggested that no Class B vehicles (large sized vans) can be parked behind garages or in guest parking. Geoff also suggested that all work vehicles, when on site, would be required to have reflective cones placed at the front and rear of the vehicle. After discussion, the requirement was changed to a recommendation for condo contractors only.

Under Maintenance, Section 4.4 on page 12, Geoff suggested adding that the Association shall also provide exterior maintenance for brick work. Geoff's other comments referred to typographical and/or change of gender wording which have been given to Richard Jones.

On Exhibit "D", Common Area Maintenance Chart, number 15 is to be deleted as it is covered in number 9.

Glenda Gannaway suggested that Under Authority of the Board, Section 3.2 (i) on page 9 the wording be uniform as to "50% of the voting power" on line 6 or a "simple majority" on the last line. Richard Jones agreed to modify it.

Under Article V, Common Expenses and Assessments, 5.14 on page 18, Glenda questioned whether the Board has the authority to cut off all utilities. To solve this problem, the wording ".paid by the Association" will be added in the fourth sentence following "services".

Under Article VI, Insurance, Section 6.1(a) on page 18, Glenda questioned whether fire damage on the inside of a condo will be paid for by the Association. The answer is no. It was suggested adding the wording at the end of 6.1 (a) "Such coverage does not include fire damage to the interior of any unit."

Under Article VI, Restoration by the Board, Section 7.4 (b) on page 22, add the wording at the end of the paragraph; "by a licensed/bonded contractor".

Under Article IX, 9.1, page 25, Glenda asked if there was an electrical fire on the exterior of a Unit from a security light attached to a unit who is responsible for repairs -- the Association or the individual owner? It was suggested adding the following wording on the third to last line after "ordinances or

orders of a governmental authority.”: “An exception is an interior fire caused from a security light directly attached to a Unit.”

Glenda also asked that “a quorum” be defined consistently throughout the Document. It was suggested that to resolve this question that under Article I, Definitions, page 6, a paragraph be inserted following 1.25 defining a quorum, which would read as follows: “Quorum shall mean the minimum number of a group necessary to conduct the business of the group. Generally a quorum is a majority (over 51%).”

Diana Miller brought up Article IV, Regulation of Uses, 4.7 Exterior Appearance on page 13. Richard Jones agreed to delete the last sentence relative to a uniform color of draperies for units. Under Signs, 4.9 on page 13, Carlene George and Glenda Gannaway asked if home security signs or flags in the window were okay, and Brent Greenwood said yes.

Under House Rules, 4.13 on pages 14-15, Carlene George expressed a need to clearly define what the Board may change without a vote being taken.

Regarding Article II, 5., Special Meetings on page 2 of the Bylaws, in a discussion regarding Special Meetings, Carlene said the definition of “any meeting attended by all members of the Board shall be valid for any and all purposes” is too general and needs more guidelines than just “approved by the Board”.

Carlene also stated that there needs to be a very careful reading by all HCA members concerning the following areas as found on page 6. Open meetings, executive session, actions without a formal meeting, election of officers, and the President being referred to as the chief executive officer.” The proposed CC&Rs stated that he shall have all the general powers and duties which are usually vested in or incident to the use of a president of a stock corporation organized under the laws of the state of Utah. Carlene objected to the language that the President of the board shall be the chief executive officer. Bud Carnahan said Richard Jones will be asked to remove the wording “chief executive officer”.

Lee Bingham asked why some things require a 50% vote, some require a 67% vote and some require 75%. Richard Jones responded that it depends on the importance of the item. For example, for normal condo business it is a majority (over 51%), but to amend the CC&Rs it requires 67%. In the Restated and Amended Declaration (CC&Rs) 75% vote requirements have been omitted.

Ron Bingham asked if this Restated and Amended Declaration (CC&Rs) is legal. Richard Jones said there is nothing in them that is in violation of the Utah State Condominium Act. Ron then asked if Mr. Jones’ law firm reviewed the 2001 CC&Rs. Mr. Jones stated that Mr. Bachman of his firm had reviewed the 2001 CC&Rs but was not involved in the preparation of them. Mr. Jones also stated that he was not involved in any way with the 2001 CC&Rs. Bud Carnahan stated that the reason the Board requested Mr. Jones to initiate an amendment of the CC&Rs was a letter from Ray Kimber’s attorney John Webster dated December 23, 2009 threatening legal action if something wasn’t done about the 2001 and 2009 Declarations. Rather than expend funds to fight a lawsuit, the Board agreed to have a legal Amendment prepared.

Before Richard Jones left the meeting at 7:30 pm, he commented that reworking of the CC&Rs may take several weeks or months.

Carlene George wanted wording added to Exhibit “D”, Common Area Maintenance Chart, that Board members cannot use Association money in their units. No one asked for the basis of this statement.

Carlene George said they have three vehicles and asked if it was permissible for one car to be parked in the guest parking area. Since the parking area behind their garage is too short to allow parking a vehicle without impeding traffic and emergency vehicles, this matter will be covered in the revised Rules & Regulations that will be sent to Owners in June. Bud Carnahan said the Board plans to stripe the guest parking areas on the east side in order to accommodate more vehicles in the allotted space.

Bonnie Larson mentioned when her children were living with them they parked in guest parking on the east side. They were asked not to park there any more because those spaces were set aside to accommodate the needs of tenants/guests living closer to the east side.

Under Article V, Common Expenses and Assessments, 5.8 Records on page 17, Carlene George questioned why an Owner could only review Association records for more than one hour per month without reimbursement of expenses. Diana Miller said that was illegal to put a restriction on access to records. Bud Carnahan said a full reading of the last 5 lines of that section beginning with "Because the" explains why access is limited.

It was suggested that the Association scan records so it would not be necessary to keep hard copies in filing cabinets as permanent records. Jan Carnahan suggested that Ray Kimber do it since he had expressed an interest in doing it 1-1/2+ years ago when the condo file cabinet was still in Diana Miller's garage. Diana Miller and Geoff Cox also offered to help scan.

Regarding Article X, Restriction on Rentals, Carlene George questioned Section 10.8 on page 27 where it says only 10% of the units may be rented. She wanted it changed to 20%. Bud Carnahan read from a newsletter from another condominium association which stated that some financial companies will not finance condos if they are not 80% owner occupied. It was also stated that having a higher number of rentals also decreases the value of the condos, which is the reason some Owners asked that the Board to adopt a restriction on rentals. The Board will consider increasing the number of units that can be rented. Carlene also questioned Section 10.10, only being able to rent a unit for 12 months of a 24 month period. Bud Carnahan said this clause is in there to discourage the purchasing of units for rental purposes.

Regarding the Bylaws, Article II, Association (a), Open Meetings, Carlene said she didn't think it was necessary for the Board to have Executive Sessions. Several owners commented that it was standard procedure in order to have privacy to discuss sensitive matters. Jan Carnahan said that the minutes of the meeting would state what decisions the Board made during an Executive Session.

Bud Carnahan asked Ray Kimber if he had anything to discuss, and he said his main concern was eligibility to serve on the Board. He will send the Board a proposed clause. Ray also said he is concerned about noise from motorcycles and off-road vehicles. Bud Carnahan asked him to send the Board his proposal on that.

Bud Carnahan said that in 1997 the condo Owners voted to maintain a reserve fund of \$1,000 per unit (\$40,000) but some Boards have ignored that and spent reserve funds without prior Owner approval (since the reserve funds were co-mingled with the operating funds). Jessie Swenson, our new bookkeeper, maintains the funds in separate categories. Operating funds and reserves are separate. Bud Carnahan is preparing a clause to be inserted into the CC&Rs regarding financial reserves and will send it to Richard Jones for his review.

Items brought up during the meeting that were unrelated to the CC&Rs:

Ron Bingham asked that the Board do something about all the weeds by Unit 135, which is vacant. Brent Greenwood will instruct the landscapers to clean it up. Ron Bingham also wants the Board to do whatever is necessary to get the deck of Unit 135 fixed.

Carlene George said that at the 2007 Annual Meeting the Owners voted on a proposal that Board members could only have one proxy and Owners could only have two proxies. This has not been enforced.

Joan Howard asked what can be done about the messy front yards. Brent Greenwood will have our landscaping company weed the front yards. Bud Carnahan explained that the Board had a bid from our landscaping company to redo the front yards of Units 105-128 and make them uniform, but that is on hold awaiting sufficient funds. It was also explained that Owners who want to do their own planting would be responsible to maintain it. (This is addressed in the revised Rules & Regulations.)

Brent Greenwood moved to adjourn the meeting. Doug Zollinger seconded. The meeting adjourned at 8:15 pm.