

**Castle Pines Homes Association
Board of Directors**

Executive and Regular Meetings

Castle Pines Homes Association
688 Happy Canyon Road Castle Rock, CO 80108

Friday, November 20, 2009

ATTENDEES: Directors Ed Will, President; Al Dugan, Vice President; Jim Walker, Secretary; Dan Roth, Treasurer; Kim Wagner, Director. Present from the CPHA staff: General Manager Mark Larson, Chief of Emergency Services Drew Grant, Accountant Carol Tilton, Standards Monitor Jo Lewis, and Administrator Lisa Goodwin.

OTHERS PRESENT: Paul Dannels & Jon Gray from the Metropolitan District; Donna Wilson from the Cherokee Ranch; Jake Schroeder from Aslan/Rivendell; Chris Sublette, Ryan Homes. Residents: Len Jacob, Mark Jost, Gene Roberts, Monica Flinner-Ross, Don Somsy, Jim Huffman, Chuck Skinner, Marti Jones, Lynn Wurzer, Arlene Raskin, Jeff Battin, Linda Battin, Gina Gerken, Ned Sundermann and Craig Sundquist.

EXCUSED: N/A

MEETING AGENDA: See attached.

I. EXECUTIVE SESSION

The Board of Directors met in an executive session and discussed legal and personnel matters and other topics. Several of these topics were discussed during the open session.

II. CALL TO ORDER

The general meeting was called to order at 8:08 a.m.

III. CONFLICT OF INTEREST DISCLOSURE

Board members were requested to disclose any conflict of interest related to items on this month's agenda, or at any time during the meeting should a conflict of interest arise. No conflicts were identified.

IV. MINUTES

Motion Upon motion duly made and seconded, the Board approved to accept the October 16, 2009 Board of Director meeting minutes as presented.

V. FINANCIAL REPORT – Len Jacob, Chairman Long Range Planning and Finance Committee

Mr. Jacob presented the October Financial Report. (*See Tab #2 of the November 2009 Board Package.*)

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the October 2009 Financial Report as presented.

Mr. Larson stated that in accordance with a resolution passed by the Board in 2006, all banking associations must first be approved by the Board prior to establishing a financial relationship with that institution. A copy of the “Resolution to Approve Establishment of Banking Relationships” was handed out to the Board. The proposed resolution listed three banks for Board approval (*see attached*).

Motion Upon motion duly made and seconded, the Board unanimously approved to adopt the Resolution to Approve Establishment of Banking Relationships authorizing banking relationships with Colorado Community Bank in Castle Rock, Bank of Choice in Parker, and Academy Bank of Castle Rock for the purpose of reserve fund investments to be made in accordance with the requirements contained in the Castle Pines Homes Association Inc. Reserve Fund Investment Policy adopted on January 20, 2006.

VI. HOMEOWNERS REQUEST TO BE HEARD: Items not on the agenda

Resident Ned Sundermann, of 85 Crestone Way, requested to be heard on the issues of train whistles and bike paths. Mr. Larson stated that the topic of train whistles is on the agenda for discussion. Mr. Larson stated that the Board has been working on this issue for several years, exploring various options. In addition, Douglas County has recently completed an extensive study on train whistle noise at railroad crossings throughout Douglas County. Mr. Sundermann volunteered his time to help work on this issue.

Mr. Sundermann asked the Board to create additional bicycle pathways and/or extend the Village trail system for the purpose of allowing bicyclists to safely travel to areas north or south of the Village without having to go onto Highway 86 - Santa Fe. Mr. Sundermann stated that he has seen people accessing a trail off of Castle Pines Drive North that leads to a wire fence; the bicyclist will then lift their bike over the fence in order to continue north. Access to areas south of the Village is via a dirt trail off of Castle Pines Drive South.

Monica Flinner-Ross from the Parks and Recreation Committee stated that they looked at doing this several years ago but were unable to extend those trails due to access control issues. Director Dugan asked that the Parks and Recreation Committee work with Emergency Services to see what possibilities might exist.

VII. MANAGEMENT REPORTS

A. General Manager – General Manager Mark Larson

Mark Larson, General Manager of the Castle Pines Homes Association, presented his Management Report. *(See Tab #3 of the November 2009 Board Package.)*

Mr. Larson reported that the Board of Directors first considered the issue of using CPHA facilities for charitable events in 2008. After lengthy discussions in open Board sessions, the Board made the decision to prohibit the use of CPHA facilities for charitable events. As a result of that decision Toys for Tots, a program that the CPHA had participated in for the past seven years, was cancelled in 2008 and the Association had declined to participate in 2009. Mr. Larson further stated that he had received several requests for the Board to reconsider this issue. Director Wagner stated that in the interest of creating a good image for our community the CPHA should support Toys for Tots and Race for the Cure. Toys for Tots collection bins at our gates have yielded for the Toys for Tots organization the largest collection of toys within the State of Colorado. Director Wagner suggested that we incorporate additional rules as to how many charities would be allowed to use CPHA facilities in a calendar year; the charitable organization requesting use of our facilities would be required to present the details of their program to the Board at the beginning of the year. Director Wagner handed out to the Board a copy of a document created by the Parks & Recreation Committee entitled "Resident Use of CPHA Facilities for Private Functions" (revised July 2008) for their review. *(see attached)*. Director Roth stated that he felt the community was in favor of participating in the Toys for Tots program and further stated that in the past the Village had been a major contributor to this cause.

Director Dugan stated that while he personally supports Toys for Tots, this discussion is not about approving or denying the placement of Toys for Tots collection bins at CPHA facilities, but rather it is a discussion as to whether or not the Board can make a judgment as to which charitable events are worthy. He further stated there are no provisions within our declarations concerning charitable giving.

Director Walker stated that most residents within the Village support one or several charitable organizations, so we are in fact a charitable community. Director Walker asked how do we determine which charities to accept and which ones to reject? He further stated that he is against using CPHA facilities to raise funds for any organization.

Director Will stated that he was in agreement with Director Walker and that our charter does not provide guidance on this issue.

Chuck Skinner, Chair of the Parks and Recreation Committee, stated that residents can book the Community Room in the CPHA building and have a charitable event as their own private function; subject to the requirements of reserving the room as stated within the Community Room Reservation Policy.

The Board concluded in a 3 to 2 vote that the Board decision made in 2008 would remain in place in regard to the use of CPHA facilities for charitable events and the CPHA therefore could not endorse the Toys for Tots collection drive.

Mr. Larson reported that we have received the final ruling in the hunting issue on the King property (see attached). The Judge stated in his initial ruling that both parties are to agree upon an area of hunting and a method of hunting, creating a map of no-hunting zones. We demanded there be present at every hunt a licensed hunting coordinator, and a Douglas County Sheriff's Officer to ensure compliance of the hunting requirements. A summary of the Court's final ruling was discussed:

- The Court agreed to allow hunting with Hi-Power rifles on 50 acres of the 88 acre King property; with a buffer, or no-hunt-zone on the north and west sides of the property.
- Hunters must shoot in a northerly direction toward the terrain that acts as a natural backstop.
- No more than four hunters can be on the property at one time, and every two hunters must have a licensed hunting coordinator (or guide).
- The Kings are required to provide us with the names of the people hunting and their hunting coordinator(s).

The Judge further stated in his ruling that any violations of these requirements would result in contempt of a court order and could result in the restriction of hunting from the property. The forty thousand dollar bond that was required by the court at the time of the preliminary injunction hearing will be returned to the CPHA minus court costs that are still to be determined by the court. We are arguing that some of the court costs the Kings are asking for are not legitimate.

Director Will stated that all residents of the Village should be vigilant and report any infractions immediately to the Homes Association. Mr. Larson reported that a copy of the ruling will be published formally to the community through the Village Reporter and posted to the CPV website.

Director Roth asked if the temporary sales office at gate 1 would be removed by the end of December, or if there had been any requests for an additional extension of the lease. Resident Lynn Wurzer, a realtor for Fuller-Sotheby's, stated that the new location is coming along and they expect to be moved in by mid-January.

B. Design Review Committee (DRC) Report – Director Jim Walker, General Manager Mark Larson

Director Walker reported that the DRC continues to meet monthly. Overall there has been very low activity. One new house was under review along with several exterior remodels.

C. Emergency Services (ES) Report – Drew Grant, Chief of Emergency Services

Chief Grant presented the Emergency Services report. (*See Tab #3 of the November 2009 Board Package.*)

Chief Grant reported an increase in ES incidents, primarily due to cars getting stuck in the snow. There were eight medical assists in October and vacation checks averaged 42 per day. Chief Grant further reported that interviews had been conducted for a vacant gate officer position and that a new gate officer had been hired.

Chief Grant reported that the 9th Annual ES Pancake Breakfast was held on Saturday, October 31st, and it was very successful with over 300 people in attendance. The pumpkin carving event that was cancelled due to snow was rescheduled to occur during the breakfast and was well received.

Director Dugan stated that according to the ES incident report, traffic violations have decreased approximately 60% over the last several months. He asked if this occurred as a result of decreased traffic enforcement.

Chief Grant responded that traffic enforcement has actually increased, however one of the radar detector units was in for repair. Chief Grant felt that the frequent publication of safety notices in the Village Reporter and the E-blast has also contributed to the decrease.

Director Will asked to know the difference between the categories of burglary and theft on the ES report. Chief Grant responded that burglary is when your home is entered and items are taken.

VIII. ACTION ITEMS

A. Parks & Recreation Committee Member Nomination

(See Tab #4 of the November 2009 Board Package)

Chuck Skinner, Chair of the Parks and Recreation Committee, nominated resident Beth Markowski to fill one of the two open positions on the Parks and Recreation Committee.

Motion Upon motion duly made and seconded, the Board unanimously approved the appointment of Beth Markowski to serve on the Parks and Recreation Committee.

B. CPHA Board of Directors Nominating Committee Appointment

Mr. Larson reported that there will be a Board seat open for election at the next Annual Meeting of the Members. Our Declarations require that we have a nominating committee. This committee has traditionally been comprised of Board members whose seats are not up for election.

Motion Upon motion duly made and seconded, the Board unanimously approved the appointment of Director Kim Wagner as Chair, and Directors Dan Roth, Jim Walker and Al Dugan to the Board of Directors Nominating Committee.

C. Metropolitan District Landscaping Contract

(See Tab #5 of the November 2009 Board Package)

Mr. Larson reported that in 2004 the CPHA entered into a landscaping contract with the Metropolitan District for a five-year period that is due to expire. As part of the agreement the Metropolitan District provides service to open space and other areas throughout the Village as reflected in the contract. This would be a renewal of the current agreement, with a five percent increase.

Mr. Larson reported that two other companies were invited to bid on the contract and all declined citing the inability to provide the same services at the proposed price.

Director Dugan asked for clarification on statements in the agreement that material costs would be passed through, and at other times would be fixed costs. Paul Dannels, General Manager of the Castle Pines Metropolitan District, responded that they are not always aware of what repair might be required throughout the year and that those added costs would be billed separately to the Homes Association.

Motion Upon motion duly made and seconded, the Board unanimously approved to enter into the landscape maintenance agreement with the Castle Pines Metropolitan District as presented.

The Board of Directors thanked the Castle Pines Metropolitan District for their partnership and excellent service provided to the Village.

D. Computershare Election Contract

(See Tab #6 of the November 2009 Board Package)

Mr. Larson requested that the Board approve entering into a contract with Computershare to conduct the Board election in 2010. Mr. Larson reported that Computer share effectively conducted the 2009 Board election and had maintained their price for 2010. Mr. Larson stated that Computershare did an excellent job throughout the election process and were able to provide us with a result at the end of the night (during the Annual Meeting).

Motion Upon motion duly made and seconded, the Board unanimously approved to retain the services of Computershare, according to the agreement as presented, for the purpose of conducting all board election activities during the CPHA's 2010 Annual Meeting of the Members.

Director Roth asked if the board seat is uncontested are we still required to have an election. Mr. Larson responded that we are required to include an election process at the Annual Meeting since the Homes Association's governing documents provide that nominations can be accepted from the floor. If there are no nominations from the floor that night and the election remains uncontested we still need to collect ballots at the annual meeting and use proxies to ensure we have quorum for the meeting.

E. Amended & Restated Agreement for the Annexation of (Kimball) Property

(See Tab #7 of the November 2009 Board Package)

Director Walker reported that the Board has been working with the Kimball property owner, Kirk Kimball, and the property's developer, Chris Sublette, regarding their request to annex the Kimball property into the Castle Pines Homes Association.

At the August 2009 Board Meeting, Mr. Sublette submitted to the CPHA Board for their consideration an amendment to the annexation agreement that would revise the timing of payments to be made to the CPHA. According to the original annexation agreement, once the plat is recorded, several financial obligations to the CPHA begins. At the same time there is a taxation that goes into effect with Douglas County. Mr. Sublette stated that these financial obligations would become a serious constraint to the completion of his project given today's unfavorable real estate market conditions. Mr. Sublette is presently seeking approval from the Board of County Commissioners to allow up to a five year delay for the recording of the Final Plat Approval.

The original agreement stated that the projected market value for each of the homes to be built on the property (a total of 12 lots) be 1.5 million. Should market conditions change within the next five years, the amended agreement provides for the use of a real estate valuation "index", and if there is further disagreement as to the value of the property, a value will then be determined by the average of three market value analyses provided by independent real estate brokers familiar with sales of residential property in Castle Pines Village. A determination of the property's market value is necessary for the CPHA's Design Review approval process.

Director Walker further stated that the DRC brought forward from the original agreement into the amended agreement a conceptual landscaping plan, which shows the location of trees to be planted or transplanted for screening purposes, so that the Board's successors would know what the agreement is.

Director Roth asked for clarification on how the property will be maintained until it is developed, and how the payment structure was changed to accommodate the change in timing.

Director Dugan responded that the agreement requires the developer to cut down several dead trees on the property, remove the current house located on the property, and re-vegetate the disturbed area. The current fence along Country Club Parkway will remain in place until such time as a construction plan is brought to the DRC. ES will be able to access the property through Daniels Park Road

Mr. Larson stated with the signing of the annexation agreement the property becomes a part of the CPHA as a single lot and the owner will be responsible to pay Association monthly dues.

Director Will stated that the agreement will survive all successors.

Motion Upon motion duly made and seconded, the Board unanimously approved the Amended and Restated Agreement for Annexation of Additional Property as presented, by and between the Castle Pines Homes Association, Inc, and the Vertical Group, Inc., Ted Blank & Associates, and Kirk Montague Kimball.

F. 2010 Budget Approval

Len Jacob, Chair of the Long Range Planning & Finance Committee reported that the draft 2010 budget has been completed. The proposed 2010 budget forecasts revenues of \$4,838.7M (minus pass thru revenue) and expenses of \$4,467.8M (minus pass thru expenses). The 2010 proposed budget projects a positive cash flow, adequately funds reserves, and requires no dues increase. Mr. Jacob thanked the members of the LRP&F committee, General Manager Mark Larson, and the Association staff for their hard work and many hours dedicated toward completing the 2010 budget. The Board also thanked the committee for their hard work.

Motion Upon motion duly made and seconded, the Board unanimously approved the 2010 budget as presented by the Long Range Planning & Finance Committee.

G. 2009 Audit Proposal

Mr. Larson reported that Guy Andrus, Certified Public Accountant (CPA), has provided the CPHA with a proposal to do the 2009 Homes Association audit. The proposal is to conduct the audit at the same fee as the 2008 audit.

Motion Upon motion duly made and seconded, the Board unanimously approved to retain the services of Guy Andrus, CPA as the CPHA's auditor for the 2009 fiscal year audit.

IX. INFORMATION/DIRECTION

A. Cherokee Ranch, Landfill on Property

Donna Wilson, CEO of the Cherokee Ranch Board of Directors and Jeff Battin, CPV resident and a Cherokee Ranch Board member, presented to the CPHA Board of Directors on the issue of a proposed landfill expansion to be located on the west side of the Cherokee Ranch property boundary, and within full view of all current and proposed Cherokee Ranch facilities. The Cherokee Ranch Board requested that the CPHA Board draft a letter in support of their fight to stop this expanded landfill.

Ms. Wilson provided an overview of the proposed project. Waste Management (WM) is proposing to expand its present landfill from an industrial-only landfill of 200 acres to an all-item landfill that will be significantly larger in size. Ms. Wilson stated that at the time the original landfill was created WM promised a series of mitigation activities that were never realized. The Cherokee Ranch Board has commissioned the services of a technical group to do scientific modeling to show how visually devastating this landfill would be if located on the edge of their property. Mr. Battin added that the landfill would have enormous implications for wildlife in that area. Arlene Raskin, Chair of the Wildlife Committee, stated that most of the wonderful wildlife we have in the Village exists

because of the wildlife corridor we have with the Ranch. Ms. Wilson stated that the landfill will be in a place where one of the corridors presently exists.

A public hearing with Douglas County's Planning Commission has been scheduled for January 11, 2010. Ms. Wilson requested that the CPHA Board submit their letter to Douglas County in advance of this hearing, as well as attend the meeting to speak out against the landfill expansion.

Paul Dannels, General Manager of the Metropolitan District, stated that this landfill could pose a potential threat for contamination of our surface water supply. It is the Metropolitan District's intention to inform Plum Creek Waste Water Authority and Chatfield Authority about this proposed landfill expansion. Mr. Dannels further commented that the Highlands Ranch community also opposes the landfill.

The Board stated that they are in support of Cherokee Ranch's efforts to stop the landfill expansion, and would draft a referral letter to Douglas County. The Board thanked Ms. Wilson and Mr. Battin for bringing this issue to their attention.

B. Train Whistles

Resident Don Somsy has been leading an effort to stop the train whistles via a petition being circulated online and through written signature. Mr. Somsy provided a handout to the Board of an article on automated horn systems. (*see attached*)

Mr. Somsy stated he plans to hand deliver the petition once it is completed to each Colorado Senator's office. He has mobilized other residents to help gather signatures and has gone to area neighbors to gather their support; the Meadows Homes Association declined to participate due to their current negotiations with the railroads on the Meadows Extension project.

C. Lagae Property Update

Director Will stated that they have nothing new to report. Director Will further reported that negotiations are being conducted between Mr. Vickers and the Metropolitan District and that until those negotiations are complete there is no action required on behalf of the Homes Association.

D. Access Control/Parking Plan

Chief Grant reported that construction at Gate 4 is complete. He thanked the Metropolitan District for their work in resurfacing the roadways through the gate.

The Gate 2 cut-through has also been completed. Jon Gray from the Metropolitan District stated that the cut-through is designed for a "back-up" maneuver by the large trucks, and if they attempt to drive forward instead they will most certainly cause damage to the curbing and landscaping. Mr. Gray suggested that to prevent damage in the future, a bollard be placed on the median along with a sign directing the driver to back up. The Board asked that Mr. Larson monitor this issue.

Mr. Larson reported that the DRC discussed at their last meeting the resolution requiring a parking plan for exterior construction activities. Director Walker stated that the DRC is a good check point to insure the parking rules are adhered to, however the DRC has not yet determined how to deal with construction parking for interior remodels that do not require DRC approval.

Director Will suggested that the DRC require a compliance deposit to cover damage to roadways and landscaping from construction parking. The Cliffs Homeowner Association currently requires a compliance deposit for all construction projects that is determined as a percentage of the total project cost.

Mr. Larson stated that he will work with our attorney and draft a resolution for the next board meeting to address this issue.

Chief Grant thanked Marti Jones, Editor of the VR, for doing an article on access control and placing it on the front page of the latest edition.

Chief Grant further reported that a notice about the requirement to submit a parking plan for special events has run and continues to run on Channel 22, at the gate sign boxes, and in the weekly e-blast.

E. Metropolitan District Items

Paul Dannels, General Manager for the Castle Pines Metropolitan District, reported that the speed table installed near the Summit Club, at Holy Cross on Country Club Drive, has been very successful and well received. Metro has received calls complimenting the action taken for the safety of the Village children. Some callers have requested more speed tables be added throughout the Village, and others have called concerned that there will be too many. Mr. Dannels stated that the speed table was installed entirely for the safety of children and pedestrians in that area.

Mr. Dannels reported that the Metropolitan District Board of Directors has budgeted for a traffic mitigation plan in 2010. Their transportation engineer will drive through the Village looking at areas with speeding issues and report back on possibilities for traffic mitigation. The report and plan will be completed by the end of February 2010. The Metropolitan District will then hold an "Open House" for Village residents to come and discuss traffic related issues and provide suggestions and feedback.

Resident Jim Huffman from the Forest Stewardship Committee asked if South Metro Fire & Rescue approved the speed table. Mr. Dannels responded that they had not had a discussion with South Metro. Mr. Gray responded that the speed table can be traversed at the posted speed, and that the posted speed is the primary consideration for the Fire Department.

Director Dugan requested that the Metropolitan District snowplow all Village roads before plowing roads that are outside the Village. Mr. Dannels stated that during the last snow storm the Metropolitan District plowed Lagae Road in consideration for the safety of Village residents who use that roadway. He further stated that action was not an indication of a change in Metro's procedures for plowing Village roadways.

Director Will stated that Douglas County needs to take responsibility for that portion of roadway separating North and South Lagae Road because it is in fact a County road. He further stated that we need to pressure the County as our taxes pay for them to come down to the southern half of Lagae and plow. Mr. Dannels agreed to speak with Douglas County on this issue.

Mr. Dannels also reported that the Metropolitan District Board of Directors approved moving forward with the design of traffic calming traffic circles on Happy Canyon Road.

X. IMPORTANT MEETING DATES

Mr. Larson reported that the December 2009 Board Meeting will be held in the Castle Pines Homes Association Conference Room located at 688 Happy Canyon Road, Castle Rock on Friday, December 18, 2009, 7:00 am Executive Session, 8:00 am Regular Meeting.

XIII. ADJOURNMENT

Motion Upon motion duly made and seconded, the Board unanimously approved to adjourn the November Board of Directors Meeting at 10:35 am.

Respectfully Submitted by,

Lisa Goodwin
Administrator