

**3 CHERRY WAY HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS
MEETING MINUTES OF APRIL 9, 2024**

1. CALL TO ORDER:

The meeting was called to order by T. Smith April 9, 2024, at 9:30 AM in the 3 Cherry Way Community Center. T. Smith informed the group that the meeting was being recorded to ensure quality and accuracy in our minutes.

2. ROLL CALL:

A roll call was taken of the Board of Director members by M. Barnes, Recording Secretary. As indicated below, there were five directors in attendance, a quorum.

<u>OFFICE</u>	<u>OFFICER</u>	<u>ATTENDANCE</u>
President	Tony Smith	Yes
Vice President	Jim Dellinger	Yes
Treasurer	Karry Brockman	Yes
Recording Secretary	Marge Barnes	Yes
Corresponding Secretary	Jim Mercier	Yes

3. AGENDA APPROVAL:

A. K. Brockman/M. Barnes: Motion to approve the meeting agenda (With additions or deletions)
Passed, unanimously.

4. APPROVE MINUTES:

A. J. Dellinger/J. Mercier: Motion to approve the March 12, 2024, 3CW Standard BOD Meeting Minutes.
Passed, unanimously.

5. OLD BUSINESS: None.

6. NEW BUSINESS:

A. J. Mercier/K. Brockman: Receive and File the Resolution Without a Meeting to approve the 3 Cherry Way General Membership Agenda and Meeting Notice as presented by the Corresponding Secretary for purpose of noticing the 3 Cherry Way Membership of the General Membership Meeting on May 16, 2024.
Passed, unanimously.

B. J. Mercier/J. Dellinger: Receive and File Resolution Without a Meeting to approve 3 Cherry Way HOA General Membership List as provided by Superior Management on April 2, 2024, for the purpose of voter registration at the 3 Cherry Way General Membership Meeting on May 16, 2024. This meets the requirements in Section 2.2 of the 3 Cherry Way Bylaws.
Passed, unanimously.

C. K. Brockman/M. Barnes: Review and approve the 3 Cherry Way General Membership Ballot for voting at the 3 Cherry Way General Membership Meeting on May 16, 2024. Passed, unanimously.

D. Announcement of the Board and ACC candidates.

- i) *BOD Comment: T. Smith:* The election is coming up in the May 16, 2024, meeting. We have three (3) candidates for positions on the Board of Directors: Marge Barnes, Karry Brockman and Cindy Dubac. There are three (3) open positions, and we have three (3) candidates. Nonetheless, it is important to come out and support and vote.
- ii) We have three (3) open positions for the Architectural Control Committee, and we have two (2) candidates for that committee: Melanie Mellenthien and Pat Mercier. As most of you know

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these two ladies along with Cindy Dubac have been walking around the community counting bushes, etc.

iii) We simply wanted to let you know about the candidates.

iv) The BOD will be scheduling an Open Forum Meeting to discuss the proposed amendments for our Covenants, Conditions and Restrictions. We will be scheduling that in the next week or so, and the meeting will take place within the next month.

- E. K. Brockman/J. Dellinger:** Receive and file the Resolution Without a Meeting to approve 3 Cherry Way HOA to enter into a contract with AquaTech Pool Management Group to change the filter sand and flow meter at a cost not to exceed \$2,000.00. Passed, unanimously.
1. *BOD Comment: J. Mercier:* This is just general maintenance that needs to be done on the pool filter. The sand, as far as we know, has never been replaced. It is recommended that every 5 years or so to change the sand in the filter. Also, the flow valve has gone out of spec. and needs to be replaced along with some new piping.
- F. K. Brockman/J. Mercier:** Review and approve the request for Architectural or Landscaping Change for 2230 Cashmere Ct. to add landscaping stones to the corner mulched area at front door. Passed, 4 to 1.
- G. M. Barnes/K. Brockman:** Review and approve the request for Architectural or Landscaping Change for 8266 Merchant Ct. to install a railing on the side of the sidewalk leading to the front door to prevent falling. Passed, unanimously.
- H. K. Brockman/J. Dellinger:** Review and approve the request for Architectural or Landscaping Change for 8328 Northstar Ct. to replace landscaped area between driveways with pavers. Passed, 4 to 1.
- I. M. Barnes/J. Mercier:** Review and approve the request for Architectural or Landscaping Change for 8330 Northstar Ct. to replace landscaped area between driveways with pavers. Passed, 4 to 1.
1. *BOD Comment: T. Smith:* This is for two homeowners who are neighbors. This is actually the same area, but we are approving it twice because the BOD determined that since it is basically an area between two homes, that both homeowners would submit requests. This shows that the two homeowners have agreed to make the change.
- J. J. Mercier/K. Brockman:** Review and approve the request for Architectural or Landscaping Change for 2256 Early Robin Dr. to install leaf filter on existing gutters. Passed, unanimously.

7. TREASURERS REPORT (K. Brockman)

- A. J. Dellinger/M. Barnes:** Receive and file Superior Mgt. February 2024 financials documents. Passed unanimously.
1. This is for February 2024 only.
 2. We were a little ahead of our year-to-date income budget.
 3. Expenses – all of these categories were in line with the year-to-date budget except one.
 - a) The reason why the landscape expenses through February were significantly ahead of the year-to-date budget is the December FMJ contract for landscaping did not get paid until February.
 - b) It was delayed due to holidays, and we received the invoice after January 1. So, the actual payment rolled over into February.

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- c) What you see is roughly a \$20,000.00 difference which was all due to that one payment to FMJ for their December services.
- 4. Net income – just under \$10,000.00 for the month.
- 5. Assets:
 - i) We ended February with \$58,000.00+ in our Operating Account.
 - ii) As a general rule, the BOD tries to manage our expenses each month to leave about \$60,000.00 in the Operating Account.
 - iii) There is \$10,600.00 in our Pre-reserve Account.
 - iv) The S. A. Stone Account has \$1,059,000.00+.
 - v) Total assets comes in at \$1,128,383.00.
 - vi) On the summary is the actions that the BOD took specific to the Pre-reserve Account. This is a simplified way of explaining what you would find in the registries for this Pre-reserve Account.

8. OFFICERS' STATUS REPORTS:

A. T. Smith, President:

1. I want to make sure that everyone got the package from Superior for the General Membership Meeting on May 16, 2024. The May 16, 2024, General Membership Meeting is very important.
2. The package contains all the information for the meeting including the ten proposed amendments to the CC&Rs. Some of them appear to be quite minor, but some of them are major changes. Hopefully, you will take a look at them and see what those changes are and how you think they affect the neighborhood so that on the 16th of May we can all come together and vote on them.
3. CC&R changes require 67% of the community to vote in favor of the change in order for the change to happen. That means we will have to have 134 members of the Association vote yes to the change.
4. Also, within the CC&Rs that we didn't publish are several corrections for typos, spelling and grammatical errors throughout the CC&Rs. Those do not require a vote to be changed. We checked that out with the attorney.
5. Jim Mercier has worked incredibly hard to have this meeting changed to hopefully give us a better opportunity to have a good turnout.
6. The BOD tried before to make these changes last year. We did not have enough people turn out for the General Membership Meeting last May.
7. We've had people say that they had to go up to Optimist Club Road last year and some don't like to drive after dark, so the meeting has been changed to the Clubhouse and the time has been changed. The time has also been extended. You have the entire afternoon to drop in and vote.
8. There are caveats though. In order to start the meeting, we have to have a quorum of 20 homeowners and BOD. If you can, come at the beginning of the meeting so we can get our required quorum met.

B. J. Dellinger, Vice-President:

1. I want to give you an update on the mulching. We are a little bit behind. However, the way they are doing works much better because the mulch is in the parking lot vs. having to leave the community to get more mulch.
2. We are affected not only with the mulch, but also the weather. You cannot mow when it is raining.
3. This week we may get the first part of the mowing tomorrow, but they may not be mowing on Thursday due to the forecasted rain.
4. There is a light burned out at the monument at the entrance to Royal Anne. We are working with the company that manufactured the light and the company that installed the light. If any of you

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have ever file a warranty claim, you know that it is not just a simple matter of asking for it. The light is under warranty. It is not a safety issue, if it was, we would go ahead and replace it and then file a claim. It is more of an aesthetic issue more than anything.

- C. K. Brockman, Treasurer: I have three additional items to report on that are financially related.
1. The BOD, at its last meeting, approved transferring \$20,000.00 from the Operating Account to the Pre-reserve Account. That money will reside there for awhile and eventually be combined with monies in the S. A. Stone Investment Account for reinvestment in CDs. This is the first of several transfers from the Operating Account to the Pre-reserve Account that will be made this year.
 2. The Audit Committee recommended, and the BOD approved purchasing CDs this month. On April 12, 2024, we will be purchasing some more CDs. The Audit Committee recommended, and the BOD approved purchasing long-term CDs that pay interest monthly. Long-term is five to six years. For years, I thought CDs only pay out at the maturity date, but that is not the case. There are a variety of CDs. Now, with interest rates high, getting a long-term CD is beneficial and it's even more beneficial for us if we can get those that pay out monthly.
 3. On April 12, 2024, we have two CDs that will be maturing in the amounts of \$235,000.00 each. Those will be reinvested in these long-term CDs that pay interest monthly.
 4. If you look at the CDs we currently have, there is a gap between the CDs that mature this year and the next batch of CDs that mature five or six years from now. But the ones that mature five to six years from now are paying monthly. That's what got us to think about all future investments should be long-term with monthly interest payments because we get the benefit of both the high interest rate and the income over time.
 5. Fortunately, interest rates are remaining high. There is rhetoric out there on investment companies and news about interest rates being higher for a while, treasuries particularly in the 8 % range but we can very easily get CDs with long-term maturities in the low to mid-4% range.
 6. The Audit Committee, with Curt Hendrick's guidance, has recommended that the HOA seek from the Federal Government tax-exempt status. It turns out that this has not been done before. There are forms that have to be filled out and sent in. It is unlikely that we will get those done in time for filing our taxes for 2023. Chuck George put together a very good analysis and projects that we will earn a little over \$60,000.00 in interest this year. The importance of getting a tax-exempt status would save us about \$18,000.00 annually. It is important that we get the tax-exempt status. I am thankful that the Audit Committee was able to dig into this and find out what was going on. We don't have it actually filed yet, but we would expect it to happen once we get by the April 15 tax deadline. CPAs are quite busy right now.
- D. J. Mercier, Corresponding Secretary: I just wanted to follow up on the quorum requirement that Tony mentioned earlier. If we don't get 20 voting members to meet the quorum requirement, the meeting gets stopped at that time. We cannot continue with the voting, and the whole process would have to start all over again. Another meeting notice package would have to be sent out to the community. That's why it is recommended that you come at the 1:00 PM time. Registration begins at 12:30 PM.

9. RESIDENTS COMMENTS/Q & A:

- A. Phyllis Wilson, 8348 Glacier Dr., I just wanted to touch base about the mowing. If they are unable to mow due to rain, are we going to have to wait until the next week to get the grass cut or will they be mowing the next day? *BOD Comment: J. Dellinger*: Our regular mowing days are Wednesday and Thursday. It hasn't happened yet, so at that point I would have to call Bean Bros. and tell them to get

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someone out here to mow. The one time that they didn't mow it was an equipment issue not a weather issue. We specifically required them to bag the grass.

B. Melanie Mellenthien, 2227 Cashmere Ct.,

1. There are 4,000 bushes in the community. There are 98 in the front circle. There are 40 to 50 at the pool and more around the Clubhouse area. Any landscaper we have talked to says that there are too many bushes in here. The question is: what do we do with all of these bushes?
2. This HOA has elected positions to the ACC. This is probably the only one in the state that has elected ACC members. The amendments that the BOD is recommending are really beneficial so that it gives some clarity to how it is going to work in here.
3. My question to the BOD is: what do you see as the working relationship between the BOD, the ACC and the Landscaping Management Ad hoc Committee?
 - a. *BOD Comment: K. Brockman:* From a financial standpoint, those three groups work together to ensure that we have proper funding to do whatever the recommendations that come to the BOD. Each month we have to assess our expenses. The BOD is careful so that we don't overspend and create a problem for ourselves. One of the processes that I see is to share information from a financial standpoint, and that could even involve the Audit Committee.
4. If the ACC makes recommendations on changes to a property, who has the final approval?
 - a. *BOD Comment: T. Smith:* For instance, someone makes a request like the ACC requests that were approved this morning. Where does that fall into the hierarchy of the Ad hoc Committee, the ACC and the BOD? First of all we have to understand the Ad hoc Committee has done a tremendous amount of work, and I see them continuing to do the work. The ACC, up to this date, consisted of one person and a lot of work has been done there. The ACC and the Ad hoc Committee will be making recommendations to the BOD for what comes in. This should be voted on either yay or nay, and this is why it should be voted this way. The way it is all set up the BOD has to make the final decision. The BOD carries the financial liability and responsibility to the community. The bottom line is this: the five people who are on this BOD and who will be on this BOD are bonded. There is an insurance policy that protects the BOD from making a mistake. It does not protect us from doing wrong as far as intentionally. So, if we take money we shouldn't take, it does not protect us from that. It does say that even if we made a decision that did not turn out to be the absolute correct decision, but it was made using viable and available information to try to do it right, it protects us from that. The ACC and the Ad hoc committees do not have that. For that reason, the BOD is the final decision maker. I think the BOD will rely very heavily on the ACC and the Ad hoc Committee to give us the information to say here's what it ought to be and here's why it ought to be, but it does not mean the BOD will agree with their recommendation 100% of the time. It is great information, and it gives us three more individuals trying to make a decision. We need to get that ACC document completed and approved.
 - b. *BOD Comment: K. Brockman:* Why do we have this kind of procedure? A recommendation can be made by the ACC and then passed onto the BOD. The BOD will look at it from multiple different perspectives. For instance, it might be strictly financial, which would be my input. We may look at it from a safety perspective or a liability risk perspective. There are many factors that get put together in this process that resides within the BOD in their decision process.

C. David Kelly, 2230 Cashmere Ct., My question is about the pool shower that needs replacing because I thought the pool would not pass inspection without the shower. However, the pool has passed inspection. *BOD Comment: T. Smith:* David is talking about the cavity where the shower was on the corner of the Clubhouse. The shower had a leak and Denver Plumbing was called out and dug a hole

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and found the leak. The leak is under the concrete. At that time, they said to repair the leak we would have to dig up the concrete and run a new line under the concrete. The BOD wanted to think about it and Denver Plumbing never came back, never called us or billed us. We do have to get it fixed, and the way that it passed inspection was I came down here and turned on the water and ran the shower. I told the man that we had a minor leak, we were going to get it fixed and that was the reason the water was turned off as well as shut off for the winter. It's on me to get in touch with Denver Plumbing to come back out here and finish the work. What I am thinking of is rather than replumbing under the concrete, we are going to come up beside the concrete, run along the edge of the concrete and then come up. This will expose about two more feet of plumbing to the weather. The cost would be 20% of tearing up that concrete.

- D.** Lisa Timberlake, 8471 Bing Cherry Dr., I am aware of the financial situation that you have to manage. You are aware of the drainage issue between my quad and the quad next to me. It would be foolish to mulch my garden area because all of the mulch keeps washing down to the storm drain. A gully has formed along the side of my front porch and keeps getting closer and closer to my foundation. I obviously have concerns. Has there been discussions, are there plans to do something or is this when the next CDs mature?
1. *BOD Comment: T. Smith:* I apologize for not getting it done quicker, however, here is where we are. The job is assigned to our Neighborhood Beautification Ad hoc Committee, which consists of Jim McClellan. The assignment was given to me to find out a price for it, so what we now have is the price for all of the components to pipe your water down to the sidewalk. The discharge would come out there. Then, we would rebuild the area that is now a gully. As soon as we get BOD approval that we can spend the money, the materials will be purchased, and we will provide the labor. The material will cost approximately \$120.00-\$150.00. I don't think there will be any problem with the money. Jim McClellan and I have looked at it and believe we can fix it without having to call in professionals, which would cost a whole lot more.
 2. *BOD Comment: J. Mercier:* This drainage issue is kind of typical of what we have been coming across in the community. The emitters for four units are draining down between the houses flooding on people's porches or, in this case, running down a good grade and causing erosion. These are just a few examples of what we are dealing with that was not dealt with from the beginning. We are dealing with these issues as best we can and coming up with some solutions that are affordable.
 3. *BOD Comment: K. Brockman:* Just to give you a little broader perspective, there are other situations within the community that are similar to this. At the end of Lambert, the water from the roofs and downspouts comes down from the end of Lambert and builds up to the point that water flows into a couple of the porches there. To fix that problem requires tubing the downspouts to get the water to a drain. The cost for that is in the \$7,000.00 to \$8,000.00 range. There is no temporary way to fix that issue. In your case, our approach is a short-term temporary fix that we can think we can do at a small cost and a more permanent fix would come later on that would be more expensive and more involved. It's a two-step process to fix the problem now, knowing that it is going to be temporary, and we are going to have to spend more money to fix that problem, possibly at a later date. We are not reluctant to spend the money on the permanent fix for the Bing Cherry problem now. It is just that we have budgeted \$80,000.00 for landscape maintenance issues for the year. We have already spent \$20,000.00 on repairs this year. That leaves \$60,000.00 to spend for the rest of the year for many other issues that may arise for this year. Throughout the year, we have to manage how we spend those funds. That isn't to say that we won't do it, I am just giving you specific numbers to give you a better understanding how the BOD looks at this situation. There are other areas besides yours and the one at the end of Lambert

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that the Ad hoc Committee has identified. So there are multiple locations throughout the community that we are trying to address. We are prioritizing those, putting a cost factor on those, and then making a decision on which ones to work on.

4. *BOD Comment: J. Dellinger:* The landscape contractor looked at your situation. Tony Smith and Jim McClellan hopefully, can fix it to the point where we don't have the immediate problem. The distance of piping etc., to fix the problem is similar to Lambert, and we just don't have the money in the budget to do that.
5. *BOD Comment: T. Smith:* The Ad hoc Committee gave us a list of nineteen areas in the community that have drainage issues. Some are easily fixed and others, like on Rainier, we think we now have it fixed, but it was the third attempt to fix the drainage. The two previous attempts did not work. The HOA has spent \$20,000.00 or more to fix the drainage at the end of Rainier. We are looking at these projects from a couple of different perspectives:
 - a The first is money. It is in our budget that we are supposed to put \$120,000.00 into our Reserve Fund. That budget did not take into account things that would just suddenly come up. These are things that were here, but we are just finding them. So, we are trying to figure out where we do the compromise.
 - b Who is affected by that drainage issue and how are they affected. Unfortunately for you, right now it is pretty much a stay. It is going to work its way back, and because of that your priority is coming up. However, on Lambert the water is coming onto their porches when it rains. We still have instances where the drain was installed 4" to 6" higher than the ground. When it affects multiple homes, we have to look at those particularly when it is getting into people's homes.
 - c Try to make as many people happy as you can. Some of us have the idea to spend all of the money and fix all of it now, and then when it comes to other projects, we may have to do an assessment. Others of us say no, you put up all the money and let the problems sit there until we can get to them. We are trying to find middle ground, fix the things that have to be fixed, let other things ride that can ride for a little while, and for those things that we can fix ourselves – let's just fix them or at least do something temporary to buy some time.
 - d One last thing, send us emails and tell us this is what I am looking at here, this is what I am facing at my home that needs to be corrected or looked at, please let us know. Sometimes we just miss things. Also let us know if you want us to spend all the money now or you don't want us to spend any. At least we will get a pulse of the community, where are we?

E. Karyl McClellan, 8328 Northstar Ct., I think our HOA does not charge enough to keep our community looking pretty. Compared to other neighborhoods, we pay far less. If you raised the dues \$25.00 a month per year more, I would be happy to pay it. Do we want it to look pretty or do we want it to look run down.

1. *BOD Comment: T. Smith:* That's the whole thing. We've got two ends of the spectrum: our fees are exorbitant, but we've got the prettiest place in the area, the other end is our fees are low, but we look like a third-world country.
2. The budget gets ratified at our General Membership Meeting in November 2024. The Reserve Study indicates to us that we need to add about \$14.00 to \$15.00 a month just for the Reserves. That is not for the Operating Budget.
3. The BOD can raise the fee to \$22.50 a month for next year without a community-wide vote. The BOD will begin looking at the Budget in late summer.
4. *BOD Comment: K. Brockman:* There is another solution and that is called a special assessment. My point is that sometimes you get to a point, and we don't think we are there, that the only way

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to fund some of these things would be in the form of a special assessment. We are certainly not thinking in that manner right now.

- F. Dan Okoniewski, 2228 Cashmere Ct., Questions concerning the Landscaping/Architectural Change Requests that were presented earlier. Are those all going to be paid for by the homeowners? *BOD Comment: T. Smith: Yes.*
1. Dan O. - Is the maintenance, should there be any issues with the installation, on that going to be paid for by the homeowners? *BOD Comment: T. Smith: If it is on HOA common ground then it would be the HOA.*
 2. Dan O. - The quality of the work that will be done on all of these requests is going to be something that is passed on to the Board, and this Board's decision is saying that they have inspected the people who are going to be doing this and find them "up to snuff". If the stones, bricks or concrete starts to crack and then we've got to pull that out, that will be additional costs to the HOA. *BOD Comment: T. Smith: We did look at who would be doing the work. That's one of the main issues we have to look at because if somebody wants to do something at their home that involves HOA common ground, I think we have to take into account how it will affect the community. Will it be detrimental, would it be helpful or maybe it's just different. We have to look at how it is going to be done. Please be aware of the fact that should Libby tell me she is going to tear out all of her bushes and put in pavers doing the work herself, we probably would not approve the request. We are going to look at where the work is going to be done. We do not expect 100% on everything we do, but we are trying to do our due diligence on the things that are being asked for to ensure they are being done right. One of the things this offers us, if you look at this agenda, and you see that one sheet where we stated what color the pavers should be, there were multiple pages attached to the Request that gave specific instructions on how this would be done that we did not include in the Package that was sent out.*
 3. Dan O. - When homeowners wanted to put in skylights, there was always a document, signed by the homeowner, saying if there were any problems with the roof area in and around the skylights, that the repair is the responsibility of the homeowner. These requests were not handled the same, which puts it on the HOA BOD. It is inconsistent in my mind. What is the BOD doing on the skylights? *BOD Comment: K. Brockman: We are complying with what the previous BOD initiated on skylights and satellite dishes. That expense, involving any kind of water leaks that result in roof repairs needed are the responsibility of the homeowner. We have had instances of that this year. So, yes, we are complying with what was previously done and have had no difficulty with proceeding in that matter.*
 4. Dan O. - On behalf of the Gabors, they did not get the package concerning the General Membership Meeting on May 16, 2024. *BOD Comment: T. Smith: We will get in touch with Superior because they mailed them out. BOD Comment: J. Mercier: It could be the US Postal Service.*
- G. Cindy Dubac, 8350 Ulster Ct., Is the HOA paying for the pavers between the driveways?
1. *BOD Comment: T. Smith: The changes are paid for by the homeowner. If what we approve starts to be detrimental to the driveway, that is the HOA's expense. This is something we need to look at is will this cause damage to HOA property.*
 - a. C. Dubac - Why wouldn't it be the homeowner's responsibility to pay for repairing the driveway should the paver installation cause a problem? Why don't you have to tell the homeowner that if the change requested become detrimental to common HOA area that it is their responsibility to fix it?

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2. *BOD Comment: T. Smith:* That is a good question, and we will have to look at that further. Another question is if the family that lives in the unit decides to move, does the liability go to the new homeowners.
 - a C. Dubac - Is it ok for the homeowner to do it themselves rather than have someone else do the installation?
3. *BOD Comment: T. Smith:* Yes, it is. We do look at who is doing it, and if they are qualified to do it. We have looked at the work that the homeowner has done in other areas and were comfortable with them being able to do it.

H. Pat Mercier, 8231 Rainier Dr., Shouldn't we have a standardized procedure for this? If you want to put in pavers, it should be uniform. This is what you have to do to put it in, this is what we require that you use, and everything else that may be needed. That way there would be no major issues on what is going to happen. I have no doubt there are qualified homeowners here that can do the work, but that may not be the way to go. *BOD Comment: T. Smith:* That's where we can agree to disagree. We are going to have people wanting to do certain things. We value your input from the community. We are going to make the decision. Do we want to say absolutely no changes in the community, or do we say you can do anything? No, we want to be somewhere in the middle. There is another aspect to this. We have pavers in the community now, and nobody asked approval from anyone. Nobody has any idea how they were put in. Nothing ever happened to the homeowners that put them in. We don't want people out at night putting in pavers with a flashlight, so we won't catch them and suddenly they are there. We are going to try and be reasonable. *BOD Comment: K. Brockman:* One additional comment on this paver issue is that I drove the whole community and I found three locations and a fourth location that was partial (a portion of that area between the driveways had been put down with pavers). To the extent that this is widespread, I just wanted to put some numbers on what the existing situation is right now. In addition to that, I spotted several places where the shrubs had been removed from that area, plantings of some kind have been put down, or big pots have been put in, and in some cases a portion of that area up next to the house there were pavers put in so that trashcans could be put there. There are some variations to this that already exists in the community. As far as that area being covered with pavers, there are three and a partial being fourth.

I. Karyl McClellan, 8328 Northstar Ct., Are these pavers standardized? Are you telling homeowner A and homeowner B that they have to use the same vendor? *BOD Comment: T. Smith:* We are trying to be specific on color as much as we can, but we are not being specific on vendor. We are trying just to be specific on the way it is being applied or installed. We are trying to keep colors like pink or blue from being installed between driveways. There are variations on the brown and reddish brown so there is some kind of leeway.

1. Jim, my husband, and Bill Byrum turned in two pages as our request, the form itself and an explanation of the paver and installation. We got back, with the approval, this is how you do it including a picture saying this is how you lay the brick. Then this could be the standard for putting pavers going forward. *BOD Comment: T. Smith:* We are trying to be as standard as we can be within reason. The color paver you buy today may not be available in two weeks.
2. Another question concerning the tax status change. How does the tax status change actually affect us? Are there hoops we have to get through to get the tax-exempt status? *BOD Comment: K. Brockman:* What has been filed previously by the HOA last year was form number 1120H with the Federal Government, which has a tax rate of 30%. Fortunately, we didn't have much interest last year, so the total expense for both State and Federal was a little less than \$1,000.00. Our estimate is, keeping that same tax status for 2023, it will be \$2,000.00. But once we get into filing for 2024's taxes, because of all of the interest we are earning, we estimate that without a tax-

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exempt status, we would have to pay the Federal Government \$18,000.00. We have to file forms with the Federal Government to make that happen. Our CPA, a company called Coffey Lovins, has been advised to proceed with preparing those forms. We are in the process of changing our tax status.

3. It was commented that off-the-cuff information received from other landscape companies. Is there documentation that this is the way it ought to be, such as how many bushes will be taken out and what type of bush and number of bushes to be replace those removed. Do you have actual documentation that someone said this, and this would be their recommendation? The information going to the BOD should not be conjecture but facts. *Landscape Management Ad hoc Committee Member Comment: M. Mellenthien:* We have spoken to the landscape contractor who is currently working here and other landscape companies that want to come in here that do professional landscape planning for people. We talked to master gardeners. The consensus is that we have too many bushes in here. We do have some documentation from some of the people we have talked to who are professionals. We have not presented this information to the BOD yet. What we are trying to do is lower the cost of maintenance of the landscape by removing some of the bushes and replacing them, over time, with slower growing and smaller bushes that are favorable to our growing conditions. The smaller bushes and slower growing bushes will save money on landscape maintenance. *Landscape Management Ad hoc Committee Member Comment: C. Dubac:* The BOD was very emphatic that the costs must be reduced. The BOD has asked us to do phases for the community over time because there is a budget. The BOD makes the final decision, we just make the recommendations. *BOD Comment: T. Smith:* I have had a meeting with a master gardener from the County who also associated with NC State. I can put together something that he said about way too many bushes and the wrong type of bushes. We are not just asking our neighbor for information regarding our landscape.

- J. Curt Hendricks, 8507 Van Ct., I wanted to add another comment to what Karry has discussed regarding long-term CDs. One of the reasons we looked at longer range is in conjunction with the Reserve Study. We have a five-year window where we do not have any major expense items. We put them out there so that the CDs will mature at staggered periods, not all at the same time. So, the that those cash funds will be available becomes necessary per the Reserve Study. Also, the monthly interest improves the cash flow should the funds be needed for an emergency situation so that we don't have to liquidate a CD early.
- K. Margaret Schultz, 8520 Christalina Ln., I only have one question. Every time my grass is cut it looks just like it did before it was cut. The grass is about 5" high. Why is the grass so tall? *BOD Comment: T. Smith:* All of the landscapers we talked to said that the grass needs to be cut at a 4" level. Being from around here, we always lowered the blades to cut the grass lower in the spring because it looked better. Some grass won't grow 4" high and it looks like it is not all level. The intention is that through the year and into next year we get all the grass to be the same type and all the weeds killed out. If it will grow at the same speed and height, it will look good at that point. In July and August it can better survive our heat and the typical drought we go through. We have been promised the blades will be kept sharp because we did have a situation before where the grass was just pushed over and when they left it popped back up.
- L. Susan Ocepa, 8769 Vandalay Dr., I wanted an update on the security cameras, and what about the Clubhouse doors? Another thing is the door coming out of the exercise room has been left unlocked on more than one occasion. *BOD Comment: K. Brockman:* The BOD has not addressed any kind of decision relating to that, but I have looked at what's involved to have cameras installed. Just a general

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idea of the cost factors, but we have not made any decision on installation. There is a legal aspect that comes into play on once you get them installed, they have to be focused on an area that is not focused on a homeowner's residence. There's an issue both here and up at the Storage Lot that we have to look at. The issue has expanded a little to include the Storage Lot. No decision has been made, but we are in the gathering information stage at this point. Now on the doors, just so everyone is aware, I am locking the front door every night at 8:00 pm via an app on my phone that allows me to do that remotely. The doors on the side and the back do not have the keypad required to lock them remotely. Those two doors need to be locked from the inside manually. I did look at the cost to duplicate the front door keypad for the other two doors, and you can get duplicate locks that all tie in and can all be locked remotely at the same time. The BOD has not made a decision on the door locks at this point. *BOD Comment: J. Mercier:* What I have been finding the last couple of weeks are people are opening the secondary door and not relocking it. You can look at the deadbolt and it's in the locked position, but when you push on the doors, they swing right open. I would ask the residents not to open the secondary door on the side and back of the Clubhouse, which is the one on the left. I can see opening both doors at the front to bring in equipment or supplies, but not the side and back.

M. John Pellegren, 2334 Sylvia Ct., I have a pool-related question. Concerning the shower on the side of this building that has a leak, why don't we remove that and cap that line and forget about it? I personally have lived here five or six years and beside myself have only seen two people use that shower. Why don't you put an apparatus, very simple and inexpensively, on the hose bib by the pool shed with two lines one for the hose and run PVC pipe up the wall clamped with a shower head, which would give people who get out of the pool to rinse off before they go home. Me and a couple of my buddies could get that done cheaply and quickly. *BOD Comment: T. Smith:* We've already looked at doing that. There are electrical connections on that building, and we were told we could not do it. Denver Plumbing came out and we asked them if we could run a line, just like you said, except they were going to hard plumb on the inside and just drill a hole. There are electrical receptacles too close, so we cannot do it. We also can't just cap off the shower on the side of the Clubhouse because we need to pass inspection for a public pool. We will get that fixed as reasonably as we can.

10. BOD COMMENTS: None.

11. ADJOURNMENT: K. Brockman/J. Mercier: Adjourned the 3CW HOA BOD Meeting April 9, 2024, at 11:10 AM in the 3CW Community Center.