

Cottage Acres HOA Board Minutes

Allure Activity Center

October 14, 2023

This meeting of the CAHOA Board was called to order by Roger Aschbrenner, President, at Allure Activity Center at 2:00 pm.

Board members present were: Darla Stigall, Phyllis Houck, Joel Klein, Julie Sprecher and Roger Aschbrenner.

Absent: none

Owners / Visitors in Attendance:

Gloria Panice

Laurie Gingrich

Peg Landes

Linda Dowd

Penny Lindstrom

Eleanor Klein

Sheryl Beien

Connie Dubes

Prior meeting minutes

- Approve the minutes from the July 29, 2023 board meeting.
 - **Motion by Julie Sprecher Second by Darla Stigall Motion passed.**

Financial Reports

- Accept the 2023-09-30 Balance Sheet
 - **Motion by Phyllis Houck Second by Darla Stigall Motion passed.**
- Accept the YTD 2023-09-30 Profit and Loss
 - **Motion by Darla Stigall Second by Julie Sprecher Motion passed.**
- Approve the July - September 2023 Disbursements
 - **Motion by Phyllis Houck Second by Darla Stigall Motion passed.**
- Accept the Budget utilization report 2023-07 showing expenses incurred, expenses projected or committed and the resulting balances in each budget category.
 - **Motion by Darla Stigall Second by Julie Sprecher Motion passed.**

Actions Taken Without a Meeting (ATWM)

- Ratify the 27 ATWMs listed below.
 - **Motion by Darla Stigall Second by Julie Sprecher Motion passed.**

2023/08/01 (17) Landes, Peg - approve removing the sedum plant, located in the middle of the south side yard, and relocate within your private garden area. Removing the mums around the post lamp and relocate within your private garden area. Each year in the spring place garden decorations in your private garden and each fall place these decorations in storage. While we provide approval for you to be able to thin out, trim back, cut off plants each fall and every fall following. This portion of the request may not require request/approval.

2023/08/01 (27) Kranov, Lisa – approve removing rock and landscaping material from the north side of th patio; relocating the rock to the front landscaping bed to include with existing rocks and finish along the side by the downspout.

2023/08/01 (27) Kranov, Lisa – approve the installation of a new screen door, ≈3yrs ago; add landscape lights, ≈3yrs ago; placing a decorative chair on porch or in private garden; while we provide approval for you to hang a seasonal wreath, decorate pole for the seasons and hang seasonal flags. This portion of the request may not require request/approval.

2023/08/02 (50) Houck, Phyllis - approve installing a new porch railing made of a Trex composite material in the color "Rope Swing". The two tall posts will be wrapped in the composite material also.

2023/08/02 (50) Houck, Phyllis - approve installing a Daich product called RollerRock in the Harvest Tan color on the patio, porch and garage floor.

2023/08/02 (17) Landes, Peg - approve replacing sliding patio door with a similar door, style, and color-brown; replacing a large window, south side, with a same size, and color-brown. It will be different on the top - fixed and the bottom windows will be a crank style for opening.

2023/08/10 (25) Dubes, Connie – approve adding new mulch to the private garden areas, same color – red); planting a Rose of Sharon in back yard, right next to or in the small designated garden under north window

2023/08/10 (30) Magill, Chyrel - approve having a solar patio light replaced by the HOA, damaged by the lawn care folks when weed wacking; approval also includes a request to refrain from placing the light on common ground by the tree where lawn care is ongoing.

2023/08/10 (44) Reuter, Carolyn – approve repairing the ruts in the grass along the north & south side of the unit. The estimate shown is for the west side of unit, previously approved July 8th, 2023; further approve the request to replace outside lights on the porch and garage with new fixtures, previously installed.

- 2023/08/10 (A) Schultz's Nuisance Wildlife Control – approve an expenditure of contracting Schultz's Nuisance Wildlife Control to come on property and trap groundhogs & skunks. The projected costs are \$100 service call and \$100 per animal trapped. The service would be for approximately two (2) weeks.
- 2023/08/12 (18) Furr, Doug & Sally - approve the leasing of Lot 18 – 2404 B Coventry Court to Lyle & Patricia Freas from 8/15/2023 to 8/15/2024; the unit owner and lessee are required to comply with the Declarations and Rules & Regulations; the lessee meets the 55+ age requirement for our community.
- 2023/08/22 (A) Buntjer Bros. - approve contracting with Buntjer Bros to trim up trees, raise the canopy up, on the property. The estimate is for tree trimming all trees on property and disposing of debris off site. Labor, equipment, and materials per day to trim trees is \$1,300 per day with an estimate of three (3) days to complete or ≈\$3,900.
- 2023/08/22 (A) Buntjer Bros. - approve contracting with Buntjer Bros to replace the railroad ties around the signage landscaping bed with block retaining wall. The estimate is for a block retaining wall to be built in front of entrance sign that is shaped and contoured similar to the existing grades; Labor, equipment, and materials to complete work as described above is \$4,000; The specific block was not selected and a specific design is still under review.
- 2023/08/25 (25) Dubes, Connie - approve replacing the garage door with the colonial style door in the color almond;
- 2023/09/01 (A) Shutter Color - adopt the color "Brown" as the standard color to be used for shutters on all buildings when replacing old shutters.
- 2023/09/05 (41) Akers, Barb - approve having McCormick's Landscaping come and trim her bushes in her designated garden and put down new mulch. They will also be installing interlocking pavers as an edging around the west and south side designated landscaping beds.
- 2023/09/05 (25) Dubes, Connie - approve filling in the voids or holes on common ground in the culverts with dirt, to seed & fertilize these areas; to purchase a lawn mower, and grant permission to mow the lawn, common area, around her unit.
- 2023/09/09 (35) Wagner, Rick & Ilene - approve scraping and painting the front porch railing. The color will be the same as presently on the railing.
- 2023/09/18 (A) McCormick's – approve contracting with McCormick Nursery to bury two downspouts southeast corner of Unit 47 with a discharge out into the channel leading to the detention pond; Labor, equipment, and materials \$643.94.
- 2023/09/18 (A) Roger Aschbrenner - authorize and approve the reimbursement of \$80.00 to Roger Aschbrenner for the service provided by Sauk Valley Pest Control at Peg Landes Unit 17, for the treatment applied to address "Paper Wasps" on the front porch.
- 2023/09/19 (A) Roger Hoffman - rescind the approval granted July 9th, 2023 to lease/rent their unit, 905 A Village Ln, on Lot 62 to their son Ben for a period of at least one (1) year; a letter of cancellation will be sent as notification to the Unit Owner.
- 2023/09/24 (A) Buntjer Bros. - approve contracting with Buntjer Bros to
Core out edge of roadway in areas that were described with 3 posts w/solar lights, and install road rock in these areas. Also to add gravel to the emergency road at the end of Florence. (\$1,200.00)
Remove three (3) trees. (\$1,600.00)
801A Coventry Court – Ornamental Crabapple tree
2405 Coventry Court – Maple tree
906B Village Lane – Locust tree
Core out (2) areas at the end of roadways 5" and add 3" of roadrock then add 2" of asphalt and compact area. (\$2,400.00)
Total Cost of three projects \$5,200.00.
- 2023/09/25 (46) Nicpon, Steve - approve replacing the garage door with a door of the same style and of the color "Almond".
- 2023/10/03 (25) Dubes, Connie - approve adding a Ring Camera to the north side of the unit.
- 2023/10/03 (25) Dubes, Connie - approve transplanting plants from northside of unit, under window, to the front planting bed.
- 2023/10/03 (50) Houck, Phyllis - approve installing a new patio door. The new door will be an Anderson patio door with the same style, color and size Anderson patio door.
- 2023/10/05 (A) Authorize the production, printing and distribution (hand delivery and email), of six (6) documents (8pgs) – Roster Changes - Newsletter - 2024 Proposed Budget – Meeting Notices – Annual Meeting Letter, Proxy Form, to all resident/owners in the month of October 2023.
The cost of printing will be ≈\$21.00 + 5.75 Ream of Paper.

Owner Requests

None

Property Repairs (Completed)

- Accept the presented Inspection of Common Areas for 2023 report for the record;
 - **Motion by Julie Sprecher Second by Phyllis Houck Motion passed.**
- Accept the presented Downspout and Splash Guard report for the record;
 - **Motion by Julie Sprecher Second by Darla Stigall Motion passed.**

We have opened and funded the Capital Reserve account at Raymond James;

Buntjer Bros. & Roger Hoffman repaired the post lamp issue near unit #14;

Roger Hoffman repaired post lights at 18/19 – 24;

Licocci repaired the siding on 2 units from the removed siding;

Licocci will be replacing the shutters on two (2) buildings (5-6-7-8 & 9-10) shutters are on back order;

Buntjer finished trimming the trees on the property;

McCormick's buried two (2) downspouts at unit #47

Projects – Plans to complete in 2023

We are placing the Bay Window project on hold – the cost to replace is ≈\$8,000. We need to evaluate this project further;

We are placing the Downspout Splash Guard project on hold as we evaluate and develop an appropriate plan to address this issue;

Buntjer – retaining wall repair / replacement around sign - \$4,000.00

Buntjer – removal of three (3) trees - \$1,600.00

Buntjer – road edging with gravel (multiple areas) & gravel road – \$1,200.00

Buntjer – core out (2) two areas at the end of Coventry Lane & Florence Lane & asphalt - \$2,400.00

McCormick’s will be planting (5) trees on the property;

Other Project Considerations / Action

We are developing a (Board Member – Administrative Binder) for Board Member reference;

- Adopt / Affirm the color “brown’ for shutter replacement on all units;
 - **Motion by Phyllis Houck Second by Darla Stigall Motion passed.**
- Adopt the Capital Reserve Policy as presented.
 - **Motion by Phyllis Houck Second by Joel Klein Motion passed.**

(Note the roof, shutter and siding are projected to be fully funded by 2037)
- Adopt the Outside Plumbing Administration Policy as presented.
 - **Motion by Darla Stigall Second by Julie Sprecher Motion passed.**
- Adopt the Wildlife & Pest Administration Policy as presented.
 - **Motion by Julie Sprecher Second by Phyllis Houck Motion passed.**
- Adopt the Private Gardens & Landscaping Policy as presented.
 - **Motion by Darla Stigall Second by Phyllis Houck Motion passed.**
- Adopt the Fine Assessment Policy as presented.
 - **Motion by Phyllis Houck Second by Darla Stigall Motion passed.**
- Approve the BOD designations of Private Gardens for all 68 units as presented.
 - **Motion by Phyllis Houck Second by Julie Sprecher Motion passed.**

(A set of the designation will be provided to each unit owner)
- Approve the purchase and use of the following office equipment & software for Board Member use;
 - Brother Printer (Print-Scan-Copy) - \$170.00
 - Nuance Power PDF Software - \$150.00
 - **Motion by Darla Stigall Second by Julie Sprecher Motion passed.**

Open Forum – Comment & Question Period

Owner request to allow a patio door to be delivered by truck that will need to drive on common property. Tentatively ok as long as the ground is not too soft from all the recent rain.

What does McFalls Berge do for Cottage Acres accounting?

- Process ACH payments
- Process invoices
- Enter data into QuickBooks
- Reconcile bank statements
- Provide backup copy of Quickbooks
- Misc other financial tasks

Does putting up holiday decorations require written approval?

- No.

Is the board investigating a property manager for Cottage Acres?

- Yes. The board has put together a list of possible property manager duties that have been discussed with six people. Four of those people are not interested in the position.

There is some concern that future boards may not have the financial understanding that is needed. Owners want to make sure the board is protecting their investments.

- The board understands and agrees with this concern. Finding people who have the experience, interest and capability to be on the board is necessary. Current board member Julie Sprecher explained that she has a financial background and experience which allayed the immediate concern. The board is on the lookout for qualified board members.

Adjournment

- Motion to adjourn at 3:25 pm.
 - **Motion by Julie Sprecher Second by Darla Stigall Motion passed.**

Cottage Acres HOA
Balance Sheet
As of September 30, 2023

		Sep 30, 23
ASSETS		
Current Assets		
Checking/Savings		
12050 - Cahoa Checking	15,368.10	
12400 - General Operating Savings	60,109.22	
12040 - Raymond James Savings		
Emergency Funds Reserve	10,083.63	
Road Reserves	14,118.72	
Roof Reserves	115,585.02	
Total 12040 - Raymond James Savings	139,787.37	
Total Checking/Savings	215,264.69	
Accounts Receivable		
11000 - Accounts Receivable	(6,118.00)	
Total Accounts Receivable	(6,118.00)	
Other Current Assets		
12075 - Petty Cash	20.00	
Total Other Current Assets	20.00	
Total Current Assets	209,166.69	
TOTAL ASSETS	209,166.69	
LIABILITIES & EQUITY		
Liabilities		
Long Term Liabilities		
21000 - Restricted Road Reserves LL...	14,118.72	
22000 - Restricted Roof/Siding Reser...	115,585.02	
26000 - Restricted Emergency Reser...	10,083.63	
Total Long Term Liabilities	139,787.37	
Total Liabilities	139,787.37	
Equity		
32000 - Unrestricted Net Assets	82,591.34	
Net Income	(13,212.02)	
Total Equity	69,379.32	
TOTAL LIABILITIES & EQUITY	209,166.69	

Cottage Acres HOA
Profit & Loss by Class
January through September 2023

	General Fund	Emergen... (Capital ...)	Road Res... (Capital ...)	Roof/S... (Capita...)	Capital ... (Capital...)	Total Ca...	TOTAL
Ordinary Income/Expense							
Income							
40000 - Monthly Maintenance Fee/Dues	133,722.00	0.00	0.00	0.00	0.00	0.00	133,722.00
Total Income	133,722.00	0.00	0.00	0.00	0.00	0.00	133,722.00
Gross Profit							
Gross Profit	133,722.00	0.00	0.00	0.00	0.00	0.00	133,722.00
Expense							
60250 - Banking Fees	157.50	0.00	0.00	0.00	0.00	0.00	157.50
61700 - Computer and Internet Expen...	148.58	0.00	0.00	0.00	0.00	0.00	148.58
63300 - Insurance Expense	22,306.00	0.00	0.00	0.00	0.00	0.00	22,306.00
63700 - Lawn Care	3,150.00	0.00	0.00	0.00	0.00	0.00	3,150.00
63701 - Snow Removal	10,500.00	0.00	0.00	0.00	0.00	0.00	10,500.00
63900 - Roof Repairs and Maintenance	9,111.00	0.00	0.00	0.00	0.00	0.00	9,111.00
64000 - Repairs and Maintenance	37,248.55	0.00	0.00	0.00	0.00	0.00	37,248.55
64400 - Miscellaneous	50.00	0.00	0.00	0.00	0.00	0.00	50.00
64900 - Office Supplies	50.00	0.00	0.00	0.00	0.00	0.00	50.00
66500 - Postage and Delivery	63.00	0.00	0.00	0.00	0.00	0.00	63.00
66700 - Professional Fees	3,701.00	0.00	0.00	0.00	0.00	0.00	3,701.00
68100 - Telephone Expense	407.20	0.00	0.00	0.00	0.00	0.00	407.20
68600 - Utilities	491.92	0.00	0.00	0.00	0.00	0.00	491.92
Total Expense	87,384.75	0.00	0.00	0.00	0.00	0.00	87,384.75
Net Ordinary Income	46,337.25	0.00	0.00	0.00	0.00	0.00	46,337.25
Other Income/Expense							
Other Income							
Interest Income	0.00	80.09	113.76	1,734.54	72.34	2,000.73	2,000.73
Transfer to Reserves	0.00	5,000.00	7,000.00	0.00	0.00	12,000.00	12,000.00
Total Other Income	0.00	5,080.09	7,113.76	1,734.54	72.34	14,000.73	14,000.73
Other Expense							
Transfer from Maintenance Fees	12,000.00	0.00	0.00	0.00	0.00	0.00	12,000.00
70200 - Capital Reserve Expense - Roofs	61,550.00	0.00	0.00	0.00	0.00	0.00	61,550.00
Total Other Expense	73,550.00	0.00	0.00	0.00	0.00	0.00	73,550.00
Net Other Income	(73,550.00)	5,080.09	7,113.76	1,734.54	72.34	14,000.73	(69,549.27)
Net Income	(27,212.75)	5,080.09	7,113.76	1,734.54	72.34	14,000.73	(13,212.02)

Cottage Acres HOA
Disbursements July - September
2023

Date	Name	Memo	Amount
07/18/2023	Buntjer Bros Inc.	front entrance - install concrete pad, road rock around island and sides & core out grass w/A-rock	3,400.00
09/05/2023	Buntjer Bros Inc.	Tree trimming & removal- around the property	4,625.00
09/13/2023	Buntjer Bros Inc.	Trench work for electrical- post lamp	413.00
07/31/2023	ComEd	2023-07 (712) SVS 06/21-07/21	25.51
07/31/2023	ComEd	2023-07 (805) SVS 06/21-07/21	28.64
08/31/2023	ComEd	2023-08 (805) SVS 07/21-08/21	28.52
08/31/2023	ComEd	2023-08 (712) SVS 07/21-08/21	25.50
07/24/2023	Consumer Cellular	2023-07 SVS 6/02-7/03	26.67
08/23/2023	Consumer Cellular	2023-08 SVS 7/02-8/03	26.67
09/23/2023	Consumer Cellular	2023-09 SVS 8/4-9/3	26.67
07/15/2023	Dowd 905-B Coventry Lane	(1) Unit Owner 25% Share of sidewalk & driveway apron & driveway replacement. Project cost (\$3,4...	(1,950.61)
07/17/2023	Helm Civil	(5&7) driveway replacement	3,550.00
07/17/2023	Helm Civil	(1&2) driveway replacement	4,380.00
07/15/2023	Lopez 905-A Coventry Lane	(2) Unit Owner 25% Share of sidewalk & driveway apron & driveway replacement. Project cost (\$3,4...	(1,950.61)
08/07/2023	Lundstrom Florist & Greenhouse, Inc.	Blooming Plant- Death of Orville Hodge (40)	50.00
07/10/2023	McCormicks Landscaping	(43) bury 2 downspouts north side of unit	293.24
07/14/2023	McFalls, Berge & Associates	2023-06 Accounting Services	200.00
08/16/2023	McFalls, Berge & Associates	July Accounting Services	200.00
09/18/2023	McFalls, Berge & Associates	August Accounting Services	200.00
07/17/2023	Phyllis Houck	(49&50) sewer line repair outside of units	100.00
07/28/2023	Roger Hoffman	flood light (signage) & photo cells (post lamps)	107.25
07/31/2023	Sauk Valley Bank	Service Charge	17.50
08/31/2023	Sauk Valley Bank	Service Charge	17.50
09/30/2023	Sauk Valley Bank	Service Charge	17.50
09/21/2023	Schultz's Nuisance Wildlife Control	(25 & 60) Ground Hog & Opossum Removal- 8/12-14/2023	400.00

Cottage Acres HOA
Customer Balance Invoices
For 2023

Type	Date	Invoice Num	Paid	Amount	Balance
Aschbrenner 806-A Village Lane					
Invoice	01/01/2023	4024		218.50	218.50
Invoice	02/01/2023	4092		218.50	437.00
Invoice	03/01/2023	4160		218.50	655.50
Invoice	04/01/2023	4228		218.50	874.00
Invoice	05/01/2023	4296		218.50	1,092.50
Invoice	06/01/2023	4364		218.50	1,311.00
Invoice	07/01/2023	4432		218.50	1,529.50
Invoice	08/01/2023	4500		218.50	1,748.00
Invoice	09/01/2023	4568		218.50	1,966.50
Invoice	10/01/2023	4636		218.50	2,185.00
Invoice	11/01/2023	4704		218.50	2,403.50
Invoice	12/01/2023	4772		218.50	2,622.00
Total Aschbrenner 806-A Village Lane				2,622.00	2,622.00

Cottage Acres HOA
Disbursements July - September
2023

Date	Name	Memo	Amount
08/09/2023	T.A. Licocci Construction	Various (skylight leaks- roof patch- fascia- soffit repair- paint fascia- wasp nests)	220.00
07/14/2023	Traveler's Insurance	Travelers Ins - Return of Premium Adjustment	(9.00)
09/01/2023	TruGreen	Weed & Feed - 2nd & 3rd of 4 applications	2,100.00
07/14/2023	Ward, Murray, Pace & Johnson, P.C	sewer line repair- email 2023-6-12	94.00
07/14/2023	Ward, Murray, Pace & Johnson, P.C	repair of dwelling unit ant problem- email 2023-6-19	94.00
07/14/2023	Ward, Murray, Pace & Johnson, P.C	smoke and carbon monoxide law & research- email 2023/6/21	188.00
07/14/2023	Ward, Murray, Pace & Johnson, P.C	storage chest outside of unit- email 2023-6-26	94.00
08/14/2023	Ward, Murray, Pace & Johnson, P.C	Occupant Under 55- Email 2023-07-06	110.00
08/14/2023	Ward, Murray, Pace & Johnson, P.C	Exterior Issues & Bay Windows- Email 2023-07-27	110.00
09/12/2023	Ward, Murray, Pace & Johnson, P.C	Ach deposits, HOA grandfathering, Policy for occupant under 55- email 2023-08-07	137.50
			17,396.45

Cottage Acres HOA
Capital Reserve Policy & Procedures

Capital Reserve Policy
to be adopted
October 14, 2023

The following policy is set forth for the administration of the Cottage Acres Capital Reserve Funds of the HOA.

Definitions

- A. Capital Reserve Emergency Fund - These funds are intended to cover extraordinary, one time, large expenses that are incurred during a year that were not anticipated in the budgeting process...
B. Capital Reserve Road Fund - These funds are intended to cover the expense of replacing the driveways and roads within or on the property.
C. Capital Reserve Roof/Siding/Shutter Fund - These funds are intended to cover the expense of replacing roofs, siding and shutters on the thirty-three (33) buildings.

In May of 2023 the BOD added siding and shutters to the Roof Fund as approved Capital Fund expenditures.

Useful Life

- A. Emergency Fund - No established useful life is used in setting the amount of these funds. The basis for the amount was set as an equivalent of two (2) insurance deductibles, \$5,000 per deductible.
B. Road Fund - The useful life was established, BOD meeting 2021-12-14,
a. 30 year useful life;
b. estimated replacement cost of \$210,000;
C. Roof Fund - The useful life was established, BOD meeting 2021-12-14,
a. 15 year useful life;
b. estimated replacement cost of \$20,000 per building;
c. skylights are included in the replacement cost and replaced when a roof is replaced;
D. Siding Fund - The useful life was established, BOD meeting 2023-05-17,
a. 30 year useful life;
b. estimated replacement cost of \$6,000 per building;
E. Shutter Fund - The useful life was established, BOD meeting 2023-05-17,
a. 30 year useful life;
b. estimated replacement cost of \$2,000 per building;

A review of the established useful life calculations, noted above, should occur every year if possible, and not less than every three years.

Cottage Acres HOA
Capital Reserve Policy & Procedures

Capital Reserve Policy
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October 14, 2023

Capital Reserve Fund Adequacy

- A. An analysis, EXCEL spreadsheet, is prepared showing the following:
a. Listing of the thirty-three buildings by address in one column on the spreadsheet;
b. The column headings will be each year for the next 20 years;
c. The column next to the building address will be the first year a roof was placed on the building;
d. The next column will be the year, estimated or known, of the first roof replacement on each building;
e. A single point will be added to each year under the individual year columns following the year of last replacement.
i. The first year following replacement should have a (1) placed in the cell, a (2) in the next year or cell, a (3) and so forth up to the number (15). Thus representing the value of one point per year that funding should be on hand to cover the cost of replacement.
ii. A dollar value will be determined for (1) point by dividing the cost of a roof by fifteen (15) to show how much needs to be set aside in the Capital Reserve each year for a single building, i.e. \$20,000 divided by 15 = \$1,333.33 or rounded \$1,335.00 per point/building.
iii. Adding up the point values for a single year shows the total points needed for fully funding the reserve, i.e. 298 points times \$1,335 = \$397,830. This amount is what should be on hand to fully fund the CR for the roof fund.

Table with columns for Building, Year, and various reserve fund points and dollar values. It shows a grid of data for 33 buildings over a 20-year period.

Cottage Acres HOA
Capital Reserve Policy & Procedures

Capital Reserve Policy
to be adopted
October 14, 2023

- f. On the Reserve Summary spreadsheet an additional column (H) is added to the spreadsheet showing an additional amount of reserve allocations to catch up the funding for CR Roof.
g. The Road portion of this analysis is a listing of the years forward, adding \$7,000 per year.
h. The Emergency portion of this analysis is showing a balance of \$10,000 and should remain so unless of a need.

Table with columns A through Q, showing financial data for various reserve funds and allocations over time.

Replacement Practice

- A. The Reserve Calculation is not a commitment to which building(s) will have a replacement, rather a commitment to replacing a certain number of roofs in a year.
B. We should seek the evaluation and recommendation of the roofing contractor to select which roofs need to be replaced in the coming year.
C. When we select the building for roof replacement we should have our contractor evaluate the siding to determine the need to replace siding. If the assessment indicates yes then we should evaluate other buildings of the same vintage and color for possible defect repairs using the siding being replaced.
D. During the first replacement period for all roofs the shutters should be replaced as well. The cost of the shutters should fall within the \$20,000 estimate for a roof replacement.
E. Currently the cost to replace shutters is \$2,000 per building or \$200 per window. During the past two years the actual cost of the six roof replacements has been \$97,445. When divided by the (6) buildings the average cost is \$16,240. This average is below the \$20,000 fund amount so we chose to have the shutter cost included in the \$20,000, i.e. =16,240 + 2,000 = 18,240, still within the \$20,000 estimated cost of the roof.

Cottage Acres HOA
Capital Reserve Policy & Procedures

Capital Reserve Policy
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Reporting and Reconciliation

- A. The following Article VII sections of the Declarations reference certain requirements for reporting and calculation of reserves.
a. Annual Reconciliation of the Capital Reserve Funds - to include an itemization and explanation of all receipts and disbursements shall be reported to the Owners each year.
b. Establish and maintain separate Capital Reserve Account for holding these specific funds outside of normal maintenance funds.

7.04. Report of Expenditures. On or before April first of each calendar year the Board shall supply to all Owners an itemized accounting of the Operating Expenses actually incurred and paid with respect to the preceding calendar year together with a tabulation of the amounts collected by way of Maintenance Assessments. Such accounting shall set forth overages or shortages as well as the amount of any reserves. The status of the Capital Reserve (with an itemization and explanation of all receipts and disbursements) shall be simultaneously reported to the Owners.

7.05. Revised Assessment. If the Maintenance Assessment proves inadequate for any reason (including the non-payment of any Owner's assessment) or proves to exceed funds reasonably needed, the Board may increase or decrease the assessment payable under Section 7.02(e) by giving written notice thereof (together with a revised budget and explanation for the adjustment) to each Owner not less than ten (10) days prior to the effective date of the revised assessment.

7.06. Special Assessment. The Board may levy a special assessment as hereinafter provided (i) to pay (or build up reserves to pay) expenses other than Operating Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose including, without limitation, the landscaping of the Common Area or the Lots, to make alterations, additions or improvements to the Dwelling Unit Exterior; or (ii) to cover an unanticipated deficit under the prior year's budget. Any special assessment shall be levied against all of the Owners, share and share alike. No special assessment shall be adopted without the affirmative vote of at least a majority of the Voting Members who cast their votes on the question. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

7.07. Capital Reserve. The Association shall accumulate and maintain a special reserve account to be used solely for making capital expenditures (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Area, and the portions of the Lots for which the Association is responsible for maintaining, and periodic projections of the cost of anticipated major repairs or replacements. Each budget shall disclose the portion of the Maintenance Assessment which is to be added to the Capital Reserve.

Cottage Acres HOA

Outside Plumbing Administration Policy

The following policy statements are intended to provide guidance to the BOD in the administration of sewer line cleanouts.

- A. We live in a world where the necessity to periodically cleanout a clogged sewer line, drain or toilet occurs, for the benefit of all, and must be resolved.
B. The Unit Owner is responsible for initiating the contact with a local plumber to determine the best approach for remediation.
C. The plumber will perform their service to clear the clog.
D. If the details provided by the Plumber indicate that the cleanout occurred within the Unit, then the Unit Owner will be responsible for the cost of the service provided.
E. If the details provided by the Plumber indicate that the cleanout occurred outside the Unit, then the Unit Owner and HOA will share in the cost of the service provided.
F. The HOA assumes no responsibility for whatever a Unit Owner may put down the drains or toilets.

Cottage Acres HOA
Policy & Procedures for
Private Gardens & Privacy Fences & Common Areas

BOD Meeting
to be adopted
October 14, 2023

DECLARATIONS

2.20 Private Garden

A portion of an Owner's Lot, which may be designated by the Board, in its sole discretion, as suitable for the personal use of the Owner of such Lot for purposes of a flower garden or other related purpose, subject to the terms and conditions of this Declaration, and all rules and regulations promulgated thereunder, and the approval of the Board.

5.02(b) Maintenance by Owners

The Owner of a Dwelling Unit shall be responsible for the maintenance, repair and replacement of the Private Garden appurtenant (Privacy Fence) to his or her Dwelling Unit, subject to Section 5.23 of this Declaration.

5.04 Alterations, Additions or Improvements to Dwelling Units and Dwelling Unit Exteriors.

No additions, alterations or improvements shall be made to any Lot, Dwelling Unit Exterior or any part of the Dwelling Unit which is visible from outside the Dwelling Unit by an Owner without the prior written consent of the Board and compliance with applicable City codes and ordinances.

Including, without limitation,

- Changes in the exterior color of a Dwelling Unit;
Construction of an outbuilding;
Deck (including a roof deck);
Awnings;
Antenna or similar improvement; or
Changes in landscaping;

5.12(c) Use Restrictions

Additions, changes or improvements to any building, or any part thereof, including roofs, siding, screened porches, doors, storm doors, windows or trim; the placement of any patios on any Lot by any Owner, or the planting of any trees, or decorative shrubs, or other permanent (as opposed to annual) landscaping, or plant materials.

will be allowed only with the approval of Board; provided, however, that there shall be no awnings, canopies, screen windows or shutters constructed or added to any building. All improvements which require a permit from the City of Sterling will only be approved subject to the issuance of such permit.

5.12(d) Use Restrictions

No Owner shall permit anything to be done or kept in any Dwelling Unit, or on a Lot or the Common Area, which will result in injury or damage to the trees, bushes, or other planted materials on the Real Estate, or which will result in an increase in the rate charged or in the cancellation of any insurance carried by the Association, or which would be in violation of any law.

5.23 Private Garden

All plans for any improvements, whether temporary or permanent, on, in, at or to any Private Gardens must be approved in advance by the Board pursuant to the terms of this Declaration.

Including without limitation:

- Construction,
Erection,
Placement, or
Maintenance of any physical structure other than landscaping, (including, but not limited to, trellises, gazebos, and statuary)

Cottage Acres HOA

Outside Wildlife & Pest Administration Policy

The following policy statements are intended to provide guidance to the BOD in the administration of or addressing the issue of outside pest control.

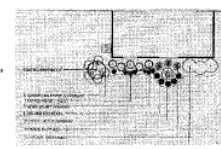
- A. We live in or near the outskirts of the City, adjacent to several open fields and/or farm land. We can and should expect wildlife to traverse around, through and under our property.
B. The BOD is encouraged to remediate when the wildlife causes damage to, around or under the physical structures or their components within our community, i.e. A/C units, porches, etc.
C. The BOD is encouraged to work with a Unit Owner in the remediation of invasive pests or insects.

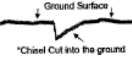
Cottage Acres HOA
Policy & Procedures for
Private Gardens & Privacy Fences & Common Areas

BOD Meeting
to be adopted
October 14, 2023

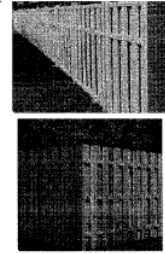
POLICY Statements

- Private Gardens or landscaping beds around a Unit and within their property line, will be designated by the Board of Directors.
The basis for the BOD designation of the Private Garden will be the supporting pictures taken in order to establish the framework for what ground cover, plants, shrubs, trees, perennials etc. are approved for each unit's Private Garden, as a starting point.
A request to increase or decrease the size of a Private Garden must be submitted in writing and contain a diagram of the size, and location of the desired expansion or reduction.
The request letter must further contain:
A detailed layout and explanation of:
the ground covering, i.e. mulch, rock, or dirt etc.,
what trees, or
shrubs, or
bushes, or
Perennial plants/flowers that are intended or planned to be planted within the Private Garden.
Annual flowers to be planted are not required to be listed or shown on the diagram;
Annual flowers may be planted in flower pots and located or placed within the Private Garden, or on the driveway apron or patio or along the sidewalk leading to the Unit's front door.
The flower pots may not be located on Common Areas or on any grass portion within a Unit Owner's property line.
Any additions to a Private Garden area for non-plant type items, i.e. trellises, gazebos and landscaping decorations (bird baths, bird feeders, statues or figurines, benches, tractors, ladders, etc.) shall require a request letter be submitted to receive written BOD approval before placement in the Private Garden.



- A request for planned or desired additions to the Private Garden is **required to be submitted** to obtain written BOD approval prior to the planting of any tree(s) or tree type plants, shrubs and bushes.
 - The letter **must include a diagram** of where they will be planted within the designated Private Garden.
 - If a Unit Owner is having difficulty preparing this request and/or the diagram, they may contact the Board and request assistance.*
 - Perennials which are a **non-wood stock type plant**, may be **excluded** from the request if perennials already exist in the Private Garden.
- Perennials **once approved and planted** in the Private Garden may be divided and the divided plant relocated to an open space within the Private Garden.
- Any planting, i.e. tree, bush, shrub, perennial, which dies or needs to be replaced **may be replaced** with the same type plant and planted in the same location, i.e. Yew, Rose bush, Hydrangea etc., **without** needing to submit a request letter.
 - If however, a Unit Owner for whatever reason wishes to **replace a planting** with a different plant type then a request **letter must be submitted** to obtain written BOD approval before proceeding with the replacement, i.e. Rose bush with a Hydrangea etc.
- When a unit Owner **has received prior written BOD approval** for the base Private Garden components then future additions to the ground surface coverings, i.e. mulch, rock, dirt etc., may be added to or replenished with the same type and color of ground covering as originally approved **without needing to make a new request** or obtain BOD approval;
- The Preferred or Suggested edging around a Private Garden is either a "Chisel Edge" or a hard surface ground height, not higher than $\approx 1"$ above the surface.
 
- No lawn decorations or plantings** are allowed outside of the designated Private Garden of a unit, even if located within the property line of a unit.
- No personal property** of any kind is permitted to be kept on any part of the Common Area **without the prior written consent** of the Association.
 - Examples, but not limited to, swings, sandboxes, chairs, benches, bicycles or toys;
 - Other Examples, but not limited to, decorative fence pieces, yard or solar lights, bird feeders, bird baths, etc.
- No basketball backboards, standards or nets, or any playground equipment**, shall be installed on any Lot or the Common Area.
- No fences** may be constructed, erected or maintained anywhere on the Real Estate (including without limitation, anywhere on any Lot).

- A "Privacy Fence" is the responsibility of both Unit Owners of a duplex.
 - Privacy Fences will be as follows:
 - The length and height must be consistent with the existing Privacy Fence;
 - A shadow box format;
 - Be either wood or molded vinyl;
 - If wood, be stained or painted in the color of:
 - Natural or Clear
 - California Rustic
 - If vinyl, be in the color of:
 - Almond
 - Khaki
 - Repair the Privacy Fence when it is wobbly or showing signs of discoloration;
 - If during the inspection of the Unit buildings it is determined or observed that a Privacy Fence needs repair the BOD should;
 - Prepare a letter to the Unit Owners outlining the noted condition of the Privacy Fence;
 - Provide a timeframe in which the Unit Owners have to address the condition and return it to a stable or good looking condition;
 - If the Unit Owners agree, the BOD could make the arrangements with a contractor to make the needed repairs or replacement and then provide for billing of the Unit Owners for the services rendered;
- When a Private Garden, in the sole discretion of the BOD, shows signs of not being kept up, weeds or dislodged edging not properly seated in the ground, or deteriorated plantings, then a Unit Owner will;
 - Be notified of the issue and provided with a timeframe in which to remediate the issue;
 - A letter will be provided outlining the issue and the time frame in which the Unit Owner has to remediate the issue;
 - Other steps the BOD could take if not resolved;
 - Be advised that the BOD may contract with a third party to come and repair the issue;
 - The bill for these services may be paid for by the HOA and then billed to the Unit Owner's account.
 - Failure to pay the bill on your account will result in late payment fees and also appear as a lien against the Unit Owner's Property.



DECLARATIONS

- 2.06 Common Area

The portions of the Real Estate which are not Lots, including but not limited to, private streets, if any, common sidewalks, water service lines, sanitary sewers and storm sewers to the point of connection with the main lines and sewers, and detention ponds. The maintenance, repair, improvement, use, enjoyment and operation of all of the Common Area shall be in accordance with the terms and provisions of this Declaration.
- 3.05 Common Area

The Common Area shall consist of all portions of the Real Estate described in Section 2.06 above which are not designated as Lots. The Common Area is intended to be for the non-exclusive mutual use and enjoyment of all Owners and, in certain instances, such as with respect to any roads and private drives, the non-exclusive use and enjoyment of others.
- 5.12(j) Use Restrictions

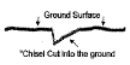
No Owner shall permit anything to be done or kept in any Dwelling Unit, or on a Lot or the Common Area, which will result in injury or damage to the trees, bushes, or other planted materials on the Real Estate, or which will result in an increase in the rate charged or in the cancellation of any insurance carried by the Association, or which would be in violation of any law.

POLICY Statements

The following policy statements are to provide guidance as it relates to Common Areas.

- A Unit Owner wanting to add landscaping around bushes or trees or street signs or anything else on Common Area **must submit a written request and receive written BOD approval before proceeding**;
- Unit Owners **who already have a written letter of approval** from the BOD will not be asked or required to remove the landscaping materials. The HOA will honor prior BOD approval letters for previous requests;
- Those Unit Owners who do not have a written letter of approval from the BOD will be given a 30 day period to provide a request letter, if desired;
 - Approval of a request is not guaranteed nor should it be expected;
 - Removal of the landscaping materials may be requested;

General Guidelines

- Plantings around trees or areas on Common Ground must be within 15ft of the requesting Unit Owner's property line;
 - The planting areas may only contain "Hostas" or annual plants;
 - The preferred ground cover is dirt. Mulch "dark brown or black" may be considered as an alternative or substitute.
 - The edging, if desired, will only be a "Chisel Edge", no hard surface edging will be allowed;
 
 - Any Common Area edging or bed around a tree or post lamp etc. must provide at least a 5ft clearance from other edging or surfaces. This is to provide for an open mowing surface around Private Gardens or Common Area trees and bushes.
 - Those Unit Owners who **have a written letter of approval** from the BOD will not be asked or required to remove existing landscaping that is on Common Area;
 - Those Unit Owners who do not have a written letter of approval from the BOD will be given a 30 day period to provide a request letter, if desired;
 - Approval of a request is not guaranteed nor should it be expected;
 - Removal may be requested
- A request must be submitted in writing and contain a diagram of the size, and location of the desired landscaping on Common Area.
- If a Unit Owner is having difficulty preparing this request and/or the diagram, they may contact the Board and request assistance.*
- The request letter must further contain:
 - A detailed layout and explanation of:
 - the ground covering;
 - plants, or
 - annual plants, or
 - other components;

No fences may be constructed, erected or maintained anywhere on the Real Estate (including without limitation, anywhere on any Lots).

Cottage Acres HOA

FINE Assessment Policy
to be adopted
October 14, 2023

FINE Assessment & Administration Policy & Procedure

The following policy is set forth for the administration of the Cottage Acres HOA identification and assessment Policy and Procedure for violations or infractions of the Declarations or Rules & Regulations (R&R).

Identification

- A. When a violation or infraction is identified by the BOD the following should occur;
 - a. Notify the other board members of the occurrence;
 - b. Review with the board members the specific Declaration or R&R covered by the violation or infraction;
 - c. Determine with the BOD if the infraction is a first time occurrence or a repeat infraction and what steps should be taken in the remediation/assessment process;
 - i. First occurrence – consider contacting the Owner/Occupant, in person, by phone, or in writing (letter or email) notifying them of the infraction. If warranted, request their assistance to encourage not having a reoccurrence of the infraction;
 - 1. If in writing is preferred then two (2) ATWMs should be prepared and signed by all of the board members.
 - a. The cover ATWM will list the name and lot as "Undisclosed", for confidentiality.
 - b. The second ATWM will list the name and lot as to whom is receiving the letter.
 - c. All publications of this information should be listed as "Undisclosed", for confidentiality.
 - ii. Any discussions by board members of a violation or infraction will occur –
 - 1. In private, with only the board members discussing the incident, or;
 - 2. In Executive Session, held during a regular Board meeting;
 - iii. If this is the first occurrence – consider the notification a warning notice with no fine assessment;
 - iv. If determined that the occurrence, first or second warrants an assessment of a fine, refer to the "Fine Assessment Table" to determine which amount to assess.

Cottage Acres HOA

FINE Assessment Policy
to be adopted
October 14, 2023

FINE Assessment & Administration Policy & Procedure

- v. A letter should be drafted to notify the Owner/Occupant of the infraction and that a fine has been levied on them;
 - 1. If a letter is prepared then two (2) ATWMs should be prepared and signed by all of the board members.
 - a. The cover ATWM will list the name and lot as "Undisclosed", for confidentiality.
 - b. The second ATWM will list the name and lot as to whom is receiving the letter.
 - c. All publications of this information should be listed as "Undisclosed", for confidentiality.
 - vi. Include in the letter that the assessment will be considered a lien against their property;
 - vii. Contact McFalls Berge requesting that they prepare an invoice for the fine assessment and have the invoice posted to the Owner's account;
 - viii. A severe occurrence may be determined or considered as a willful and/or intentional disregard of the Declarations or R&R;
- B. Fine Assessment Table – the following table is provided to provide guidance as to the amount of fine to levy.

a. First or Second Occurrence	\$50.00
b. Third Occurrence	\$75.00
c. Fourth+ Occurrence	\$100.00
d. Severe Occurrence any level	\$500.00