

Kettle Creek Homeowners Association, Inc.

6015 Lehman Drive, Suite #205

Colorado Springs, Colorado 80918

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www.kettlecreekhoa.com

October 29, 2010

Dear Kettle Creek Homeowner,

Perhaps the singular most important aspect to running a homeowners association is participation by you, the homeowner. This participation encourages a sense of community and cooperation between all the owners in Kettle Creek and keeps your Association strong. A strong membership is the key to maintaining your Association's assets properly and protecting the rights and property values of each and every homeowner.

Your best chance to participate in the Kettle Creek Homeowners Association is at the Annual Membership meeting, which is held annually. Your Annual Membership meeting is scheduled for:

November 17, 2010

6:00 p.m.

Pine Creek High School

Presentation Room

(Please look for directional signs from the front entrance.)

Your attendance is important for several reasons. First and foremost, you get to meet your neighbors and be informed as to how the Association is run. Second, you help create a quorum of voting members so that the decisions made at the meeting are official. Finally, you get to participate in the democratic process by choosing which candidates are going to serve on the Board of Directors.

If you cannot attend, please fill out the attached proxy that applies to you. This proxy will designate the person of your choice to cast your vote at the meeting. All proxies should be received by Z&R at the above addresses (email, fax or regular mail) prior to the meeting. Please ensure that you mail the proxies early enough to reach our office by no later than November 16, 2010. The Board is responsible for deciding all the financial and contractual matters of the Association, so your vote is very important. If you have any questions about the meeting or other Association matters, please feel free to call our office and we'll do our best to help you out. We hope to see you at the Annual Meeting!

Sincerely,

Darren H. Burns
Property Manager

April Smith
Property Manager



KETTLE CREEK HOA

GENERAL MEMBERSHIP MEETING

November 17, 2010

6:00 PM

Pine Creek High School Presentation Room
10750 Thunder Mountain Ave

Type of meeting: GENERAL MEMBERSHIP MEETING

Agenda Topics

A. CALL TO ORDER

1. Roll Call
2. Certifying of Proxies
3. Quorum: Proof or Waiver of Notice
4. Approval of 2009 Annual Minutes

B. REPORTS

1. President's Report
2. Financial Report – 2011 Budget

C. NEW BUSINESS

1. Introduction of Candidates
2. Nominations
3. Voting For Board Members

D. ANNOUNCEMENTS

E. ADJOURNMENT

Kettle Creek Homeowners Association, INC.

Annual General Membership Meeting Minutes

January 12, 2010

The Fourth Annual General Membership meeting of the Kettle Creek Homeowners Association was held in the Meeting Room at Fire Station 19 on January 12, 2010 at 6:30 pm. About 40 persons attended.

Mr. Burns of Z&R Property Management conducted roll call and certification of proxies at the door. A quorum was present. Mr. Scott Plantenberg opened the meeting and entertained a motion to approve the 2008 annual minutes. A motion was made by Mr. Joyal, seconded by Mr. Cather and the motion carried with but one "nay" vote.

Mr. Plantenberg presented the President's report outlining four areas of challenges and accomplishments.

- Ownership of common areas was finally settled in 2009. Kettle Creek HOA owns four common areas which we can landscape to our wishes, without property tax liabilities. In the process of deeding one parcel to us, the city erred by including a portion of the street, an error which has since been corrected.

- Parking issues were addressed. Our Covenants had conflicting wordings. Standard language is now in the Covenants, i.e., overnight parking (defined as 2AM to 5AM) is prohibited. The full language is on the HOA website at

- http://www.kettlecreekhoa.com/CCR_Rules/2010_Jan_Signed_Rules.pdf

- Landscaping is on target with our three year plan to fix what we inherited from the developers. During 2009 we put in annuals, bulbs, repaired some damaged sod areas, weeded and fertilized.

- Townes. We are now routinely collected dues from the Townes at the rate of \$106.00 per year. When other properties in Kettle Creek are built, they will also contribute. Z&R is now the property manager for the Townes as they are for us.

Mr. Joyal presented the Treasurer's report for 2009 and discussed the proposed 2010 budget. The 2010 budget was passed by acclamation of all present. Highlights of the presentation were:

- Despite the 40% increase in water rates during 2009, our HOA managed the water budget closely. We have ability to turn the sprinklers off if showers preclude a need to water.

- Legal expenses came in slightly under budget.

- Other budget items proved to be business as usual.

- Any 2010 dues that have arrived early are now in CD's earning interest.

New Business

During the meeting, three topics were discussed and action items were taken by Z&R to review:

- Issue of insurance coverage for people using our sidewalks.

- Issue of snow removal by the Townes contractor and the piling of that snow at the corner of Looking Glass Way and Rhinestone drive in such a manner as to obscure visibility of oncoming traffic.

- Issue of how deep the snow must become before city ordinance requires its removal from sidewalks.

Election of Officers. Two BOD members saw their three-year terms end in 2009 (Messrs Plantenberg and Joyal). Four names were put in nomination for the two positions and voted on as follows:

- Mr. David Joyal, 26 votes.
- Mr. Erik Carlson, 25 votes.
- Mr. Mike Cooke, 10 votes.
- Mr. Chuck Linn, 9 votes.

Executive Session: After the conclusion of the General Membership Meeting, the Board Members met in Executive Session to decide who serve in the various offices. The conclusion was as follows:

Eric Carlson	(P)	(2012)
Rick Scroggs	(VP)	(2010)
Mike Cather	(S)	(2011)
David Joyal	(T)	(2012)
Barry McCann	(D@L)	(2011)

The next HOA BOD meeting will be held at Z&R Property Management, 6015 Lehman Drive, on February 16, 2010, from 3:30PM to 5:00 PM. Seating is limited, reservations recommended.

Mike Cather
Secretary

Kettle Creek HOA 2011 Annual Budget

DRAFT

Income	ACTUALS 2010	BUDGET 2011
Bison Ridge at Kettle Creek Annual Dues	\$ 410	\$ 425
Number of lots in the HOA	94	94
Total Bison Ridge at Kettle Creek Dues	\$ 38,540	\$ 39,950
The Townes at Kettle Creek Annuals Dues	\$ 106	\$ 110
Number of lots in the OA	82	82
Townes at Kettle Creek Assessment	\$ 8,692	\$ 9,020
Total Income from Dues	\$ 47,232	\$ 48,970
Other Income		
Net Change in Accounts Receivable	\$ 786	\$ -
Late Fees/Interest Penalties/Returned Check Fees	\$ 370	\$ 350
Interest on short-term investments (CDs)	\$ 175	\$ 200
Total Income	\$ 47,777	\$ 49,520
Beginning Cash Balance (net of prepaid dues)	\$ (623)	\$ 68
Total Available Cash	\$ 47,154	\$ 49,588
Expenses		
Accounting Fees	\$ 310	\$ 310
Administration	\$ 1,000	\$ 1,000
Management Fees	\$ 9,024	\$ 9,024
General Maintenance/Repair	\$ 355	\$ 400
Insurance Property/Liability	\$ 1,745	\$ 1,745
Water	\$ 5,133	\$ 5,500
Electric	\$ 422	\$ 425
Landscaping (Materials and Installation)	\$ 8,405	\$ 8,000
Lawn Contract (Grounds Maintenance)	\$ 6,210	\$ 6,300
Legal Expense	\$ -	\$ 500
Professional Expense (Website)	\$ 200	\$ 200
Snow Removal	\$ 733	\$ 800
Trash	\$ 10,161	\$ 10,161
Tree Maintenance	\$ 225	\$ 450
Sprinkler Maintenance	\$ 1,163	\$ 750
Light/Electric/Sign Maintenance	\$ -	\$ 100
Total Expenses	\$ 45,086	\$ 45,665
Contribution to Reserves	\$ 2,000	\$ 3,200
Total Use of Cash	\$ 47,086	\$ 48,865
Ending Cash Balance (Operating) (net of Prepaid Dues)	\$ 68	\$ 723

Kettle Creek HOA

Operating Statement (by month)

2010 Actual Activity

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD Actuals	Monthly Average
OPERATING INCOME														
Bison Ridge at KC Dues	38,540.00	-	-	-	-	-	-	-	-	-	-	-	38,540.00	38,540.00
The Townes at KC Dues	8,692.00	-	-	-	-	-	-	-	-	-	-	-	8,692.00	8,692.00
Special Assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	10.00	18.00	20.00	22.00	23.00	19.00	16.00	10.00	8.00	-	-	-	146.00	10.00
Late Fees	-	140.00	170.00	(50.00)	40.00	10.00	20.00	20.00	-	-	-	-	350.00	-
Returned Check Fees	-	-	-	20.00	-	-	-	-	-	-	-	-	20.00	-
GROSS OPERATING INCOME	47,242.00	158.00	190.00	(8.00)	63.00	29.00	36.00	30.00	8.00	-	-	-	47,748.00	47,242.00
OPERATING EXPENSE														
Accounting Fees	310.00	-	-	-	-	-	-	-	-	-	-	-	310.00	310.00
Administration Costs	73.38	38.95	93.74	74.72	72.19	91.91	163.79	48.24	34.36	-	-	-	691.28	73.38
Electric	34.86	39.29	35.46	34.02	32.49	37.00	32.79	34.17	35.48	-	-	-	315.56	34.86
General Mx and Repair	-	-	-	-	-	300.00	-	-	-	-	-	-	300.00	-
Insurance Property/Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Landscaping	-	-	-	435.00	-	1,162.00	-	-	-	-	-	-	1,597.00	-
Legal Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lawn Contract	510.00	510.00	510.00	510.00	510.00	510.00	525.00	525.00	525.00	-	-	-	4,635.00	510.00
Light (Electric) Maint/Repair	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees	752.00	752.00	752.00	752.00	752.00	752.00	752.00	752.00	752.00	-	-	-	6,768.00	752.00
Plumbing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees (Website)	-	200.00	-	-	-	-	-	-	-	-	-	-	200.00	-
Sign Repair/Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Snow Removal	237.50	-	130.00	65.00	-	-	-	-	-	-	-	-	432.50	237.50
Sprinkler Repair	-	-	-	-	-	485.45	414.13	74.00	-	-	-	-	973.58	-
Trash	840.00	840.00	840.00	849.00	849.00	849.00	849.00	849.00	849.00	-	-	-	7,614.00	840.00
Tree Maintenance	-	-	225.00	-	-	-	-	-	-	-	-	-	225.00	-
Water	17.68	35.50	25.50	24.65	104.47	571.85	765.71	1,362.72	533.50	-	-	-	3,441.58	17.68
TOTAL OPERATING EXPENSES	2,775.42	2,415.74	2,611.70	2,744.39	2,320.15	4,759.21	3,502.42	3,645.13	2,729.34	-	-	-	27,503.50	2,775.42
RESERVE ALLOCATIONS														
Consolidated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RESERVE ALLOCATIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW	44,466.58	(2,257.74)	(2,421.70)	(2,752.39)	(2,257.15)	(4,730.21)	(3,466.42)	(3,615.13)	(2,721.34)	-	-	-	20,244.50	44,466.58

Kettle Creek HOA

Assets & Liabilities (by month)

2010

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	October	Nov	Dec
Current Assets													
Cash-Operating Account	9,606.14	5,980.52	6,508.27	8,152.67	5,772.94	5,150.61	12.88	1,525.79	3,005.89	446.20	-	-	-
EFCU Savings 505201-00	35.25	35.26	35.27	13,595.91	10,052.69	35.23	35.24	10,085.32	35.94	35.95	-	-	-
EFCU MM Savings 505201-95	-	-	-	-	10,023.79	20,051.04	20,060.93	15,069.18	20,128.34	20,136.61	-	-	-
Ent CD 3/22/10 .7%	10,000.00	10,007.87	10,013.24	-	-	-	-	-	-	-	-	-	-
Ent CD 4/25/10 .7%	-	10,001.34	10,006.71	10,012.66	-	-	-	-	-	-	-	-	-
Ent CD 7/25/10 1.0%	-	10,001.92	10,009.59	10,018.09	10,026.32	10,034.84	10,043.09	-	-	-	-	-	-
Res-Escrow Acct-1 Citadel Savings	2,073.34	2,074.04	2,074.75	2,075.09	2,075.27	2,075.27	2,075.45	2,075.79	2,075.96	2,076.14	-	-	-
Ent Reserve CD 5/22/10 .7%	7,558.51	7,563.00	7,567.07	7,571.57	7,575.93	-	-	-	-	-	-	-	-
Ent Reserve CD 3/22/10 .7%	3,535.95	3,538.73	3,540.63	-	-	-	-	-	-	-	-	-	-
Ent Reserve CD 8/22/10 .5%	-	-	-	-	-	7,580.02	7,583.14	7,586.36	-	-	-	-	-
Ent Reserve CD 4/1/11 1.3%	-	-	-	-	3,545.82	3,549.70	3,553.46	3,557.35	3,561.25	3,565.03	-	-	-
Ent Reserve CD 11/22/10 .5%	-	-	-	-	-	-	-	7,589.58	7,592.70	-	-	-	-
Res-Escrow Ent CD 505201-S58	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	3,773.63	12,419.76	8,790.69	5,125.33	4,566.33	3,346.13	3,323.13	3,343.13	3,238.13	3,188.13	-	-	-
Total Current Assets	36,582.82	61,622.44	58,546.22	56,551.32	53,639.09	51,822.84	46,687.32	43,242.92	39,635.09	37,040.76	-	-	-
TOTAL ASSETS	36,582.82	61,622.44	58,546.22	56,551.32	53,639.09	51,822.84	46,687.32	43,242.92	39,635.09	37,040.76	-	-	-
LIABILITIES & CAPITAL													
Liabilities													
Prepaid Dues	20,264.87	828.00	-	420.00	280.00	692.00	280.00	280.00	280.00	293.46	-	-	-
Total Short Term Liabilities	20,264.87	828.00	-	420.00	280.00	692.00	280.00	280.00	280.00	293.46	-	-	-
Reserves													
Reserve Interest Earned	123.65	9.89	14.65	20.92	29.22	33.31	44.25	51.70	58.99	66.07	-	-	-
Reserve-Consolidated	13,044.15	13,167.80	13,167.80	9,625.74	13,167.80	13,167.80	13,167.80	13,167.80	13,167.80	13,167.80	-	-	-
Total Reserves	13,167.80	13,177.69	13,182.45	9,646.66	13,197.02	13,201.11	26,431.55	13,219.50	13,226.79	13,233.87	-	-	-
Total Liabilities	13,167.80	13,177.69	13,182.45	9,646.66	13,197.02	13,201.11	26,431.55	13,219.50	13,226.79	13,233.87	-	-	-
Capital													
Working Capital	12,408.00	12,408.00	12,408.00	12,408.00	12,408.00	12,408.00	12,408.00	12,408.00	12,408.00	12,408.00	-	-	-
Prior Retained Earnings	(10,117.99)	(9,257.85)	(9,257.85)	(9,257.85)	(9,257.85)	(9,257.85)	(9,257.85)	(9,257.85)	(9,257.85)	(9,257.85)	-	-	-
Current Retained Earnings	860.14	44,466.60	42,213.62	43,334.51	37,011.92	34,779.58	16,825.62	26,593.27	22,978.15	20,363.28	-	-	-
Total Capital	3,150.15	47,616.75	45,363.77	46,484.66	40,162.07	37,929.73	19,975.77	29,743.42	26,128.30	23,513.43	-	-	-
TOTAL LIABILITIES AND CAPITAL	36,582.82	61,622.44	58,546.22	56,551.32	53,639.09	51,822.84	46,687.32	43,242.92	39,635.09	37,040.76	-	-	-

Kettle Creek HOA

Operating Statement Comparison

2010 Actual vs. 2010 Budget and 2009 Actual

	Current Month of September					YTD through September				
	Sep 10 Actual	Sep 10 Budget	Variance to Budget	Sep 09 Actual	Variance to Prior Year	YTD 10 Actual	YTD 10 Budget	Variance to Budget	YTD 09 Actual	Variance to Prior Year
OPERATING INCOME										
Bison Ridge at KC Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,540.00	\$ 38,540.00	\$ -	\$ 36,633.27	\$ 1,906.73
The Townes at KC Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,692.00	\$ 8,692.00	\$ -	\$ 8,446.00	\$ 246.00
Special Assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200.00)	\$ 200.00
Interest	\$ 8.00	\$ 10.00	\$ (2.00)	\$ 14.27	\$ (6.27)	\$ 146.00	\$ 370.00	\$ (224.00)	\$ 367.91	\$ (221.91)
Late Fees	\$ -	\$ 10.00	\$ (10.00)	\$ 10.00	\$ (10.00)	\$ 350.00	\$ 390.00	\$ (40.00)	\$ 680.00	\$ (330.00)
Returned Check Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20.00	\$ -	\$ 20.00	\$ 20.00	\$ -
GROSS OPERATING INCOME	\$ 8.00	\$ 20.00	\$ (12.00)	\$ 24.27	\$ (16.27)	\$ 47,748.00	\$ 47,992.00	\$ (244.00)	\$ 45,947.18	\$ 1,800.82
OPERATING EXPENSE										
Accounting Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310.00	\$ 325.00	\$ 15.00	\$ 310.00	\$ -
Administration Costs	\$ 34.36	\$ 125.00	\$ 90.64	\$ 41.82	\$ 7.46	\$ 691.28	\$ 925.00	\$ 233.72	\$ 802.41	\$ 111.13
Electric	\$ 35.48	\$ 35.00	\$ (0.48)	\$ 35.12	\$ (0.36)	\$ 315.56	\$ 316.00	\$ 0.44	\$ 306.27	\$ (9.29)
General Mx and Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300.00	\$ -	\$ (300.00)	\$ -	\$ (300.00)
Insurance Property/Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,597.00	\$ 8,028.00	\$ 6,431.00	\$ 9,893.71	\$ 8,296.71
Legal Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ 500.00	\$ -	\$ -
Lawn Contract	\$ 525.00	\$ 525.00	\$ -	\$ 510.00	\$ (15.00)	\$ 4,635.00	\$ 4,725.00	\$ 90.00	\$ 4,080.00	\$ (555.00)
Light (Electric) Maint/Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70.00	\$ 70.00	\$ 8.08	\$ 8.08
Management Fees	\$ 752.00	\$ 752.00	\$ -	\$ 752.00	\$ -	\$ 6,768.00	\$ 6,768.00	\$ -	\$ 7,056.00	\$ 288.00
Plumbing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Fees (Website)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200.00	\$ 200.00	\$ -	\$ 200.00	\$ -
Sign Repair/Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297.72	\$ 297.72
Snow Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432.50	\$ 400.00	\$ (32.50)	\$ 173.50	\$ (259.00)
Sprinkler Repair	\$ -	\$ 50.00	\$ 50.00	\$ -	\$ -	\$ 973.58	\$ 435.00	\$ (538.58)	\$ 143.00	\$ (830.58)
Trash	\$ 849.00	\$ 840.00	\$ (9.00)	\$ 843.00	\$ (6.00)	\$ 7,614.00	\$ 7,560.00	\$ (54.00)	\$ 7,545.00	\$ (69.00)
Tree Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225.00	\$ -	\$ (225.00)	\$ -	\$ (225.00)
Water	\$ 533.50	\$ 900.00	\$ 366.50	\$ 1,169.48	\$ 635.98	\$ 3,441.58	\$ 3,630.00	\$ 188.42	\$ 3,016.37	\$ (425.21)
TOTAL OPERATING EXPENSES	\$ 2,729.34	\$ 3,227.00	\$ 497.66	\$ 3,351.42	\$ 622.08	\$ 27,503.50	\$ 33,882.00	\$ 6,378.50	\$ 33,832.06	\$ 6,328.56
RESERVE ALLOCATIONS										
Consolidated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RESERVE ALLOCATIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET CASH FLOW	\$ (2,721.34)	\$ (3,207.00)	\$ 485.66	\$ (3,327.15)	\$ 605.81	\$ 20,244.50	\$ 14,110.00	\$ 6,134.50	\$ 12,115.12	\$ 8,129.38

Kettle Creek Homeowners Association, Inc.

ANNUAL MEETING

OFFICIAL PROXY

A. I hereby certify that I own, via recorded Deed, the following described property:

(ADDRESS)

B. I hereby appoint as my official Proxy, _____ to exercise my vote on any and all matters and subjects that may come to the attention of the Membership of the Kettle Creek Homeowners Association at, and only at, the meeting of that body to be held on November 17, 2010. Blank proxies will be assigned to the Board President. Unsigned proxies are invalid.

Name: _____
(PRINT)

Signed: _____

Date: _____

Voting Instructions (if any) for designated Proxy:

Please give this form to your designated proxy or forward to: Z & R Property Management, 6015 Lehman Drive, Suite 205, Colorado Springs, CO 80918. Faxed and emailed proxies are also acceptable: email: Darren@zandrmgmt.com; fax number (719) 884-4496.