

Michigan Hill Owners Association
Approved Annual General Membership Meeting Minutes
June 1, 2013

1. Welcome, Call to Order and Introduction of Board of Directors
 - a. The meeting was called to order and the Board of Directors introduced:
 - i. Larry McClymonds – President
 - ii. Dennis Sherman – Vice President
 - iii. Steve Johnson – Treasurer
 - iv. Blenda Crawford – Secretary (absent because of work requirements); Terry O’Neill was asked to take notes in her absence and will record the meeting for Blenda to transcribe. Thanks to Terry for his efforts.
 - b. Larry McClymonds welcomed and thanked the homeowners present. He reported that 74 properties were represented at the meeting, which met the minimum of requirement of 20% property ownership representation for an official quorum.
2. Review of Annual Association Meeting Minutes for June 16, 2012.
 - a. The Minutes have been posted on the website for a year and a hard copy was distributed at this meeting. Larry requested membership changes and/or questions in regards to these Minutes.
 - i. Terry Peters, L124. Noted a change on the nomination of Mr. Hogan for the ACC: should be Mike Hogan, not Mark Hogan, both for the nomination and for the election.
 - b. No further changes were noted. A motion to approve the Minutes with the above change was called for. The motion was made by Sallie Baker, L256; and seconded by Paul Montgomery, L175. A vote was called and the Minutes for the Annual Association Meeting of June 16, 2012 were approved with no dissenting votes.
3. Open Forum for Members
 - a. Larry provided the ground rules based on civility for the Open Forum and proceeded to open the forum to members:
 - i. Gerry Clinton, L202, former board member overseeing road maintenance. Expressed her concerns about the communications surrounding several of the decisions made by the board without the benefit of physical meetings. She expressed that she was shut out of these decisions and contacted the Association lawyer about these concerns. Gerry also stated that the board interfered with her doing her job. She was thanked for her opinion. Board Response (hereafter “BR”): Larry McClymonds responded that while the previous Boards handled decisions via telephone, this Board handles them via email. The checking account was changed to minimize conflicts of interest, especially since the roads are the Association’s biggest expense. The approved check signers were changed back to how most of the previous boards were setup, only the president, vice president and treasurer. He apologized if Gerry was not included in advance on the changing of the signature cards for the checking account; however, he noted that all other decisions were made via email: all were open; nothing was hidden. There were certain road issues where other members of the board did get involved to get them done, such as insurance documentation for road contracts. Gerry and Tom were thanked for all their work on behalf of Michigan Hill. Gerry chose to resign and the Board accepted her resignation and moved forward.

- ii. Ken Baker, L169. Reported that the 2013 Invoice for dues for his lot was sent to his sister-in-law, who forwarded it to him. Larry asked the membership if anyone else had received an erroneous invoice. No members responded. The invoices are generated by QuickBooks. The Board apologized and indicated that it would check on the error and make appropriate changes.
- iii. Sallie Baker, L256. Expressed three concerns: 1) need of a road sign for her street; 2) that she provided the Board at the first meeting of the new Board with a list of concerns and asked for follow-up on the history of the Association's CDs. She conducted an Inspection of Records which didn't provide the information she was seeking. She asked for an audit to know the status of all Association CDs; and 3) she indicated that 45 owners do not have email and are not online; and that they needed to be offered a hard copy of the Association policies and other materials. BR: Larry McClymonds recapped her presentation, indicating that a road sign is needed; that she was questioning the trail of money; that this Board found a missing CD that the previous Board was not aware of; and that hard copies of MHOA policies need to be sent to those who are not online. He also asked for further explanation regarding the double standard to which Ms. Baker referred. Ms. Baker said that that she does have the right to talk to the President in private and she needs to express this concern privately with him. Larry indicated that he was available to meet with her.
- iv. Fred Depenbrock L11-12. Requested that a budget and balance sheet be included in future Board reports.
- v. Gerry Clinton, L202. Would also like to see an audit conducted.
- vi. Debbie Caine, L54. Interested in an update on the discussion regarding getting a cell phone tower on the hill. BR: Larry has been trying to work with Black & Vetch and at one point they were trying to permit a tower on Jefferson Heights. The problem is once one tower goes up there's going to be multiple towers. Owners are interested in is cell coverage on MH, and maybe not a cell tower. B&V tried to permit a cell tower south of MH on a knoll and ran into County limitations. Larry has been talking with B&V about the power lines that run over Kenosha Pass and also have a phone line box at the bottom, to which they could connect. B&V is trying to do a single cell phone coverage that links Kenosha all the way to Red Hill Pass, which has a tower on it. Last he heard, B&V was trying to put a tower on a knob down by Como. Not sure that is going to work for MH because cell coverage tends to be line of site. The Board has been trying to encourage members to call Verizon at 1-800 922-0204 to complain about lack of coverage on MH, as consumer complaint messages get to the top more quickly. What Verizon is really trying to do is light up the highway. There is some coverage on the front of MH which faces 285; however, it's lacking on the backside. Larry continues to work with his contact. Coverage is better higher, back in the valley, than it is on MH.

4. Board Reports: President's report

- a. Status of Easements: Last year three different issues were brought up at the annual meeting: 1) Right-of-way where Michigan Hill makes a right turn onto Red Hill. The first 592 feet are private road owned by the Earnest's, who are nice people. The right-of-way was originally granted by the BLM, a 30-yr lease that expires next January. Since the right-of-way is very important to the Association and for access to the community, the Board pursued and negotiated a permanent easement. The terms of

easement require membership approval and include: a permanent easement on north edge of the Earnest property with the MHOA responsible for road maintenance and signage, including chevrons, which the Association has done historically. Cost of the permanent easement is \$21,500, paid in five annual payments of \$4300 starting August 1, 2013. At end of payments the Association will own a permanent easement.

Rationale: If MHOA had to buy a lot and put a road on it, the cost would greatly exceed that paid for this permanent easement. MHOA will need to make sure that its general liability coverage extends to this newly negotiated easement. The Board tried to keep it simple, clean and fair. The Board called for membership questions. Fred Deppenbrock, L11-12: How would the 5-year payments be made if the Earnest's sell their property? BR: Those issues have been or will be addressed with the attorney when the agreement is written. The board will make sure that there is proper language to cover current owners or successors. Larry Caine, L54: Can the association afford this cost out of retained earnings? Will there be debt involved? BR: The Association can afford this with money in the bank and the payments are spread out over four years. Herb Sanford, L 26: Normally a road is used for a certain length of time and the ownership is determined by that, isn't it (referring to adverse possession), providing a Como example? BR: No, actually this is an expiring right-of-way that the BLM granted to the Association. The Board did explore every one of the other options mentioned. We could abandon it and they could put rocks at the end of the road to close access. We did investigate with the County about safety and there were some issues. There is a case in Bailey that went to court where someone tried to close the road off and it spent two years in litigation. The Board thinks that being good neighbors is the right thing to do and the Earnest's are working with us, making this a win-win for everyone. This right-of-way will no longer be an issue for the Association in the future. A call was made by membership for a motion to accept the agreement as stated and proceed to finalize the agreement. The motion to accept was made by Harry Teff L168; and seconded by Traci Bailey L248. Larry restated the motion and called for a vote. The motion was passed with 73 properties for and 1 against.

- b. Augmentation Pond: The Association has had a right-of-way from the pond to main road since 1981 and the road has been in existence and in use for over 100 years. The road veers off of the original 1981 right of way because of beaver activity over the last 100 years, so a portion of the road isn't quite in the right place. The Association does have the option to claim adverse possession through the courts at some cost and make that road an open right of way. The Board sent letters to the two owners of the property that impact access: to the 74 ranch who owns the majority of it; and to the second owners who live in Bailey. The Board followed up and the owners in Bailey who were a bit upset because they would have liked to have received a phone call instead of a letter. The 74 Ranch letter went to Susan Anschutz-Rogers and her attorneys. The attorney responded that they don't do easements across their property and that they did not think the road was on their property. Larry has been working diligently to open up communication with Susan Anschutz-Rogers and her attorney. They are looking at it fairly favorably. MHOA still has the ability to use the road and is working to get a mutual understanding in place with the 74 Ranch, which owns the largest section of the road not on the right-of-way. The goal is to find a happy medium to avoid going to court and to avoid the \$12-16,000 it would take to go to court (\$6,000-8,000 for each court case). Ms. Anschutz-Rogers grew up here and rode horses on Michigan Hill and understands how complex that little piece of land is on that corner. Ken Baker, L169:

- what if we were to abandon the pond? BR: The wells are permitted by the County and by the State. That pond is an integral part and what gives MHOA permission to have all the wells on Michigan Hill. That pond is the reason that the MIHA files reports with the District Water Commissioner and releases water from the pond according to the reported water used by the Hill for residential use. If this is not done, the well permits can be cancelled and owners are without wells. Fred Depenbrock, L11-12: 74 Ranch has the fences on the north side of the road. Also, MHOA needs to have a way to get access to the weir that gets water from Michigan Creek down to the pond. The property MHOA crosses to get access to the weir belongs to Mr. Burrows, as does the weir area. Mr. Burrows will give MHOA access to the weir and the canal that goes from the weir to the pond once the right of way is established to the pond. BR: That's what started these activities. The MHOA was giving Mr. Burrows access so that he could have access to his road along with Carol Hack. MHOA is working together with these folks, peacefully having conversations and taking this forward; and making sure that good neighbors prevail. Helen Baker, L169: Met the people who own the lot from Bailey and they stated that she could walk across it any time. The only thing the Bailey owners were interested in is maybe getting to fish in the pond once in a while. They're very nice people. BR: Larry thanked her for that information and stated that he found they were nice people as well. He's still trying to get on the right side of that conversation.
- c. Outlot E. The vote at last year's meeting affirmed that the Association needs to maintain its land, which includes Outlot E. Location of Outlot E: association property from Clinton's (L202) over to Sallie Baker's (L256), the Association has an outlot that is 150 feet wide that exists outside the old fence there. Back when the ranch was sold in 1986, there was an existing fence. In 1989 when the Ranch was surveyed, the Ranch approached the Association offering to go half and half on the costs of the new fence since Colorado is a fence-out state. The Association was relatively new then and said no. The ranch paid to put a lot of fencing in and tied into an existing piece of fence. Sallie's property (L256) saddles that old fence. One can still see some of the old cedar fence posts. Tying into the old fence resulted in 8-9 acres of Association property being on the Ranch side of the fence. The Board has been working to establish a relationship with the Carrington Ranch. Recently Larry had a sit down meeting with Abby Carrington, owner of the Ranch. He learned a lot of things about how MHOA can be a better neighbor, like having a waste cage when there is construction on MH because cows die when they eat plastic blown over by the wind. The ranch has been using that 8-9 acres since 1989. The Ranch is interested in approximately 16 acres on one side of the burn pit that has tall grass. If the Association were to put in a new fence with a gate, it would help the Ranch put cows back when they wander into that burn pit area. If the Association gave the Ranch a long term lease on those 16 acres, then the Ranch would be willing to provide the legal documentation that formally gives the Association back the 8-9 acres the Carrington's have been using since 1989. Fred Depenbrock, L11-12: Was hoping that MHOA could make a deal that avoids re-fencing costs for all; and this is a good outcome. BR: Think about the people that border this area. Sallie gets cows right next to their house. If the MHOA were to put the fence where it belongs, it would provide a buffer and make it available for lot owners' access/walks. The ranch has a need to maintain the fence for the safety of the cows, people and liability, especially when young calves are present. Sometimes get a calf gets on the MH side of the fence. MH is trying to start a good neighbor policy – the Ranch has a lot of good friends up here. MH will need to do some fence construction at the burn pit. The Board has been

pricing fencing at both locations (burn pit and fencing by Sallie Baker's). Ken Baker, L 169: This was brought up years ago to the Board and a land swap was suggested and it was shot down by the board at that time because MH land was too valuable. BR: That wasn't the same thing. At that time it was a trade of 40 acres, including a transfer of ownership. This is not a transfer of ownership. It is a land use swap. MHOA is not transferring any property. We're going to maintain ownership of current properties and let the Ranch use some other property. Ken Backer, L169: Who's paying taxes on the land that they're using that's ours? BR: We are. We're opening this up for discussion so that the membership can give the Board guidance. Sondra Montgomery, L175: Thinks MHOA is moving in the right direction; being good neighbors. Kip Eagan, L 158: Are there any maps available? BR: Has a PDF that can link to documents page and will try to make it available. The map is of MH and Jefferson Heights, when Jefferson RE was selling MH. Can go down to Jefferson Real Estate to get map. (Shows owner hard copy of map). Sallie Baker, L256: This would be a legal issue with me. I have consulted a realtor. When I purchased the property I had a survey done. So Sallie Baker's fence is clearly inside Sallie Baker's property and so it is Sallie Baker's fence. It doesn't matter who owns the easement and whatever you all work out about that, that fence along my property is my property and it is inside those stakes. So even if I were to give up a wedge of 1 foot by about 7-1/2 feet, I want the fence to stay where it is. If you all, if MH we all decide to add a fence to enclose the easement, that's MHOA's deal. But the reason I got off this issue is because I immediately saw a conflict of interest and I emailed that to you. I want the fence that's on my property, it's my fence, and it needs to stay right there. And I will hire a lawyer if I have to do anything. So I tried to be a good neighbor too. BR: The Board thought that if the Ranch went after adverse possession that you would lose part of yours, and that's why it suggested that you should talk with your title company and see what the title insurance company thinks because you could get a very big friend out of that for you if they did their work correctly. The only thing the Board would suggest if MHOA does change and put a fence up there is that MHOA doesn't permit barbed wire fence on the hill so you might have to take a look at how that conflicts with the rules, covenants and bylaws. Sallie Baker, L256: We would need to check into that, but since it was there when I purchased it, I think the laws are... BR: I (Larry) tore out about 800 feet of barbed wire fence across the center of my property when I bought mine because I chose to and now I have a lot more elk that are now coming down through my property. It's up to you – I get that. Sallie Baker, L256: Any internal fence I have. You know I did check with Traci immediately about that, and I've actually removed all that wire that was not barbed wire and gave it to the Carringtons. Robin Rohr, L231: I think the good neighbor idea is a great idea. If MHOA is leasing to them and someone got hurt, what's MHOA's liability? BR: MHOA would have to make sure that the Ranch covered that; that the lease would need to cover what the Ranch would be responsible for on that property. The MHOA attorney would take a look at all that and try to do everything MHOA can to protect itself. MH does carry a pretty good liability coverage policy. Robin Rohr, L231: So how does MHOA move forward on this? BR: Larry needs to continue the conversations. These are things that will not happen overnight. The Ranch feels that MH has not been a good neighbor and I (Larry) tend to agree with them. I told them that we were having a meeting; this was a week ago, and that I would bring this up to the association. The next step is saying here's what MH is willing to do and sit down and come up with some more specifics and go from there. Larry asked the

membership is this was okay and if he could move forward from here. The membership voiced consent with no nays voiced.

- d. Reserve Study: Part of policy to get MHOA in compliance with CCIOA was to get a baseline Reserve Study. A baseline reserve study includes all the assets that wear out and helps to plan for replacement when they do wear out. The MH assets that have been identified include the road grader, the augmentation pond valve, the water hand pump in front of the bulletin board, and reserve money for a harsh winter if additional money is needed to keep the roads open. The grader has a useful life of 40 years, and in talking with people, MH has about 20 years left on the grader of useful life at the outside. It's in great shape and is being maintained well. Several people have looked at it and have had some difference of opinion. The Board looked at the future cost of a used grader and set a value. It did the same thing with the augmentation pond drain valve. The augmentation pond has been there for 30 years and will probably need to be replaced in about 10 years. To replace it, the pond would need to be drained, and a cat walk run out over top to enable the screw to be run up and down; it would be easier to access and protect it a little better. MH could also put the measurements on the catwalk for the annual water reporting. A value/cost of \$10-15,000 has been identified to get that replaced. The hand well pump is still used frequently by owners filling 5-10 gallon jugs for use. It's still an asset and still required. The roads are maintained every year. The culverts are generally replaced with money from the emergency fund on an as-needed basis, such as the one down by the beaver ponds. \$7,000 has been allocated for gravel for the roads. Currently the Association has no fencing that is maintained by MHOA, and will consider such costs as they arise. Currently the reserve is \$41,000. In some instances the Reserve is underfunded; however, because the first replacement needs are at ten years instead of two years, MHOA is in good shape and can put about \$3,000 per year over the next couple of years to fund the reserve. Fred Depenbrock, L11-12: Expressed that his experience with other boards is that the individuals who did the reserve studies were not the sitting board. BR: The Board can see if someone is willing to volunteer or the Board can hire this out. The Board asked for further clarification. Fred Depenbrock, L11-12: Responded that it may be the law; and that it's important to get some sort of independent estimate, not only for the physical assets but for the financial assets. BR: The Board indicated a difference between asset and financial reserves; and that financial reserves would be addressed during the financial report part of the agenda. Ralph Dierdorff L8: Asked if the reserve study was posted on the website? BR: Not yet. It needed to be presented at this meeting first as MHOA does fall under CCIOA. The Board is trying to save as much money as possible because it is planning for potential attorney fees regarding easement issues. It spent a lot on the homeowner's attorney to develop policies. If the suggestion is to get someone to independently do this, the Board would welcome that. The cost could be upward of \$5,000. Those are things that MH can do; however, we have to decide how we want to spend our money. Helen Baker, L169: Commented about gravel needed for the roads and that there's a lot of gravel for the roads laying in the ditch. If MH needs gravel, can that gravel be put back on the road? BR: MHOA is attempting to do just that. Typically, what a lot of places do is plow before the snow falls and put the gravel to the side, pulling it back up in the spring. A lot of the gravel has been plowed off because of the snow plowing – it happens. The Board can have those plowing set their feet up a little higher. The Board is looking at that. The possibility of putting together a volunteer group to support review of this study was proposed and volunteered solicited.

In addition the membership was asked their thoughts about getting an independent group to pursue the reserve study. Andy Bailey, L248: Thought the assessment was good. Thought that the Board could have a review of the numbers, but didn't think that MHOA has enough assets to warrant that type of cost. Terry O'Neill, L246: From his review of CCIOA, he suggested that MHOA is very minimally concerned with assets and reserve allocations. He suggested that the Board has done a pretty extensive analysis of assets and that it would be a waste of money when the Board was able to do an adequate study at no cost. BR: Would be happy to have Fred take a look at this and offer some advice. The study can always be modified and improved. Asked for a motion for approval and will continue to keep getting. Sondra Montgomery, L175: Made a motion to approve the reserve study as stated. Harry Teff L168 seconded the motion. A vote was called and the motion was approved with no dissenting voices.

- e. Survey conducted with collection of dues. A survey was conducted at the same time dues invoices were delivered to owners. One of the issues address was trailer usage on MH and those policies/covenants governing use. Current MHOA conflicts: 1) use of trailers on improved lots; 2) what's considered an improved lot; and 3) trailers on lots which are on their third building permit with no building activity. 74 responses were received to the survey. 24 said trailer time should not be extended on MH; 50 said yes, it should be extended. A majority of the 50 said a lot owner should be able to take a trailer up for the summer and then take it down at the end of summer. A key question is whether or not the MHOA should extend trailer usage for more than just weekends (i.e., single use pull in/pull out). Options considered: a permitting system where a fee of \$100 is paid to process someone parking their trailer from Memorial Day through Labor Day. If it's not pulled off by a certain date, through the permit the owner agrees to some sort of fine per week after Labor Day to make it prohibitive so that the unimproved lot doesn't become a mountain storage lot. Looking for guidance. Ken Baker, L169: Suggested that Indian Mountain has a summer only trailer deal and didn't see anything wrong with Memorial Day through Labor Day, with a penalty if it's not removed by the end date. He stated that owners shouldn't be charged \$100 to put a trailer on their own property. He agreed that if owners didn't remove it by Labor Day that they should be subject to towing costs. Also, he suggested that hunters should have a permit for a trailer on the lot during hunting season. Permits should be specific with start/end dates. BR: Stated that the reason for fee is to help compensate folks who are tracking this rather than adding to their volunteer time. MHOA will need to pay an attorney to come up with a contract and someone will need to monitor trailer usage and removal. Dennis Sherman, L156: Suggested that if the trailers on MH for an extended period of time that MHOA needs to make sure that folks are using portapotties and dumping them appropriately, so as not to spoil the surroundings and be in compliance with county regulations. Ken Baker, L169: There is nothing in the covenants about portapotties. Ralph Dierforff, L8: Asked if the parking restrictions CCRs (part of the covenants)? He stated that covenants need to have 67% vote to change them; therefore to go forward, MHOA would need to have 67% approval. BR: Asked if the membership wanted the Board to pursue some special language to take to the membership for a vote. Ralph Dierforff, L8: Suggested that MHOA make policy changes instead. Larry Caine, L54: Asked for a point of clarification about how work trailers or snowmobile trailers were addressed by the covenants? He also asked if the trailer cannot be seen by the neighbors or road, if that is permissible. BR: as long as trailers are licensed, they are permitted on improved lots. Still looking for guidance

based on membership desires. Ralph Dierdorff, L8: suggest leaving as is for now since the Board has enough on its plate. The Board has the authority to deal with concerns as they arrive. If it becomes a bigger issue, then can deal with it later. BR: Asked the membership if the Board should table this item for now. The membership confirmed tabling the matters with no expressed dissent. The Board will move ahead as is. It will provide Covenant enforcement with minor fines of \$100/mo.

5. Board Reports: Vice President

- a. Architectural Control Committee (ACC) approval activities activities: 1 cabin was restrained; 1 put in a wind turbine; 1 deck replacement and expansion; 1 mechanical room attached to an existing structure; and 1 deck enlargement. Pending approval on a garage build. Other issues: notices sent out on three trailers: all three were removed. Dog run put into compliance. Letter to homeowner regarding removal of boat from a foundation: no homeowner response to date. Trailer on unimproved lot with permit to expire in 2014 with no building activity: no building plans received as of this date by ACC. Letters to two homeowners regarding water usage for non-household use. In process: unfinished home with trailers and other items stored on property for an extended period of time.

6. Board Reports: At-Large

- a. Augmentation Pond: Annual water report was submitted October 16th. Redid and updated the residents well permit list. MHOA incurred a release of water that was criminal and MHOA is filing a report with the Water Commissioner and Sheriff. The water on MH is available for internal use only and for sanitation. The permits do not allow for watering of trees or livestock; they do not allow owners to collect rainwater and reapply that; it does not allow owners to put it on yards. The Board sent out letters to two homeowners who were not playing fair and, if they continue to do so the MHOA will make a report to Garver Brown, the Water Commissioner, because those two violators can put all of the MH well permits in jeopardy. Water is critical to MH. The permits are specific: not supposed to be washing car with water up here. Hot tubs cannot be filled with well water. Suggest that you keep receipts from WaterBoy or other outside water source to verify that source of water, or any other non-permitted use. If filling up at Bailey, take a picture of you filling up your kegs for documentation because you don't get a receipt. This is very important. Don't want to make it an issue. Had some mischief with the augmentation pond. Under a year and a half ago, someone opened the valve and drained the pond. On Memorial Day, someone took a screwdriver or similar tool and wratched up the valve screw resulting in the dumping of water out of the pond. MHOA lost 1-2 acres of water before it was caught. The Board is going to modify and lock the valve system and also has more people paying attention to the pond area. Last November there was a small volunteer group that repaired the weir: Paul Montgomery, Terry O'Neill, Steve Johnson and Larry McClymonds. They filled 60 sandbags to repair the leaks while the water level was down. It looks great this spring. Think that the weir is now under control. Fish are on order. Couldn't get the truck in a month ago because of snow drifts in the willows. The beavers clogged up the first culvert, so the board had a grate made for it. Also installed an electric fence controller and wire which is about one inch above the water level in front of the culvert and it seems to keep the beavers away from damming up the culvert. The first culvert got washed out and heavy damaged due to beaver activity and water running over the road. The Board is going to have it pulled out and replaced with a new "used" culvert. Once that work is complete, the pond will be stocked with fish, estimated by the middle

of June. MHOA is putting in 4 trophy size fish that are 24 or larger, and the rest are 9-12 inches. Kids (15 and younger) can keep two; adults are catch and release. If the fish swallows the hook, please cut the line and release the fish. MHOA is putting some grass carp in there to keep the grass down. If a carp is caught and it swallows the hook, please cut the line and throw it back so that it can continue to do its work.

- b. Snow Plowing: Jaimin and crew did a great job this year. Kept the roads open and MHOA is happy with the work he did. He kept good logs and emailed the Board when he was going out. Heard lots of positive things about the roads this winter.
- c. Burn Pit: Have a new and improved burn pit. The berms are 5-6 feet. Thanks to Gerry Clinton for staying on top of the fire chief for the last burn. Talked with the Como fire chief, Jim Lind, and he's very pleased with the pit. MHOA is hoping that it won't go three years before the next burn. The burn pit is for slash only: no construction material or stumps with dirt and rocks; both of which cause considerable hardship in cleaning the burn pit. Please put slash as far back as possible when unloading. The Board has some pictures of the last burn which are spectacular.
- d. Weed Control: A delivery is on order. The company will be driving around going after any Canadian thistle which is observable from the road.
- e. Road grading: The roads are currently being graded and are benefitting from material put down last year. The Board is currently talking to the Flying Horse Ranch. There's a huge pile of material that is very close. Last year the material came from Alma, so half of the cost was just getting it to MH. The Board has had several people look at the pile of material that is available and is trying to determine a price and usability for the roads. If it is usable and will work, it will cut down on transportation costs. A couple of the roads, like Selkirk, could use some work, as well as Glacier and down on Ohler Ct. The Board worked with the insurance company to clarify liability insurance coverage and it has been determined that MHOA can hire an experienced grader and use the Association equipment and not require additional insurance. It has hired a County grader who is very experienced. Larry Caine L54: Can the contact information be made available to homeowners for them to purchase rock? Homeowners should check with Steve for rock for driveways. Will need to be kept separate from MHOA. Steve will need names and addresses, and contact information. Kip Eagan, L158: Hopes that the material that MHOA is looking at has good clay in it because road base is far superior. BR: The Board is taking that into consideration as well as the composition of the current roads. That's part of the ongoing determination.

7. Board Reports: Treasurer

- a. MHOA has a balance of \$93,023.39 in the bank in Fairplay. The CD that was in TX has been brought back to Colorado. There was a cost of \$29 to close it out and it is now in Fairplay. The CD that no one had information on was closed out and has been moved to the bank in Fairplay: it was just under \$3,000. The Board found a CD in Denver in the amount of \$6,577.88. It is still in Denver and the Board is the signee on it. It will stay in Denver until maturity, at which time the Board will move it up to Fairplay. Checking has a little over \$10,000. The CD in Colorado State Bank & Trust (\$6,577.88); Savings: \$75,826.61.
- b. Budget: (handout) 2010-2012 actual, and year to date for 2013, plus the budget for 2013. Expenses were \$10,149.38. The budget was put together in January and forecast a \$380 surplus. \$10,000 was put into attorney's fees. The membership voted to approve a \$4300 payment for the permanent easement that is not in this budget. The budget shows how the Board is going to spend money on behalf of the association.

There are still fall expenses that need to come out of this budget. Ralph Dierdorff, L8: Asked if the reserve accounts are in CDs? BR: Not yet. The operating budget is \$47,250. MHOA would not gain much by locking the money up in a CD at this time, so the money is sitting in a savings account. Until the Board has a better sense of upcoming expenses, it has chosen to stay a bit more liquid. We are getting interest on savings. Debbie Caine, L54: Reiterated the earlier request that the Treasurer's Report include a Balance Sheet in the future. Larry asked for a motion if the discussion was complete. Debbie Caine, L54, moved to approve budget as presented. Seconded by Kip Eagan, L158. Vote called. Motioned passed with no dissenting vote.

- c. Dues: There are 15 lots which haven't paid and are past due; and there are two that are going to collections because they are over one year past due. Owners get a past due notification at 30 days, 60 days; and a certified letter at 6 months, at which time a lien goes on the property. The ones that are going on two years will be turned over to a collection agency and there's a process that goes with that. The amount of dues outstanding is \$3,300. Of the 15, there are only two that are longer than this year. Some owners will see a \$3 charge on their invoice next year because their payment was received after the dues deadline this year. This is all in compliance with the new policies and CCIOA.
8. Election: Three board member positions are open. Dennis and Larry still have one year left on their terms. Steve and Blenda's terms are complete this year. Individuals may be nominated for the Board. Positions are assigned by the board at the first meeting following the election.
 - a. Blenda Crawford nominated. On MH for 11 years and associated with three properties. Teaches graduate courses at Regis; and received her PhD in Human Communication from DU, and her MBA from the Daniels College at DU. Nominated by Larry McClymonds. Talked with her previously and she has accepted the nomination.
 - b. Steve Johnson nominated. Did a great job in picking up the treasurer's position and making sure the checks go out on time. Works well with the MHOA's wonderful bookkeeper who's doing a terrific job keeping track of the pennies – Judy Pecora. Thank you Judy for the great bookkeeping work. Nominated by Larry McClymonds. Steve accepted the nomination.
 - c. Floor opened for nominations. The Board indicated that there is lots of work available for lots of people. The Board also indicated That one person indicated interest in serving through the survey; however, was not present so the Board didn't know if they would accept the nomination.
 - d. Paul Montgomery nominated by Steve Johnson. Had no expectation of a nomination when he attended. The Board is important and wouldn't ask anyone else to do anything he wouldn't do. Bought property in 2007, year of the big winter. Retired from law enforcement. Wife, Sondra, is a retired insurance agent. Accepted the nomination.
 - e. Herb Sanford nominated by Sallie Baker. Herb thanked Sallie, but declined the nomination.
 - f. A motion was made (Ralph Dierdorff, L8) to close nominations, which was accepted. Since the number of nominees equaled the number of positions open, a motion was made by Sallie Baker L256 that the nominees be accepted by acclamation, which was seconded by Harry Teff, L168. A vote was called. There was a show of hands. The acclamation of nominees was unanimous.
9. New Business:
 - a. One new homeowner wanted the contact information for a neighbor. With current privacy laws, the Board is hesitant. Karla Eagan, L158. Belongs to an organization

where member information is available via website with a password. BR: Thought that owners could call the Board and the Board would contact the owner and ask permission to share the contact information. Would have a record of the request. Ralph Dierdorff, L8: Suggested that the Board send out mailing where owners can select whether they want their information shared or not. He also stated that the Board doesn't have time to be everyone's social secretary. Needs to focus on more important issues BR: Will table issue until next year, since the Board has enough trouble keeping everyone's information updated.

- b. Sallie Baker L256 makes a motion to have an audit with a CPA firm of the financial records of the MHOA since the last audit. Debbie Caine, L54. Suggested that MHOA needs to first find out how much this would cost and would like the Board to put out for an RFP before anything is approved. Ralph Dierdorff, L8: Suggested that the Board needs to review CCIOA requirements to be in compliance. May need a review instead of an audit. BR: The Board called for vote as the motion stands. By a voice vote, the motion was denied. Another motion was made to investigate the cost of an audit as well as the CCIOA requirements. The motion was passed by voice vote with no dissenting vote.

10. Meeting adjournment: A motion to adjourn was made by Ralph Dierdorff, L8. It was seconded by Iona Garrett, Lot 81.