

Michigan Hill Owners Association
Annual Meeting Minutes – Approved
June 7, 2014

Board Members Present:

Larry McClymonds, Lots 206/207

Dennis Sherman, Lot 156

Paul Montgomery, Lot 175

Pre-Meeting Session

The Annual Meeting opened with a presentation by Grayson Beckley – Forest Service. Key points made during the presentation:

- Fire Danger and Mitigation. Michigan Hill is at a higher elevation. Therefore it is a low-frequency area for wild fires because snow melt stays around and then the monsoons arrive. Fire mitigation is still important within 200 feet of homes. For additional helpful information, it was recommended that homeowners go to the website at www.firewise.org. It is a good website for further information in conjunction with CSU and the Colorado State Forest Service. The website contains tips to make homes more defensible. Accurate labeling of a cabin with the address number is important so that firefighters can identify location and connect it to information on file. Cleared roadways to the home enable big equipment to access the property. Key efforts should be to clean out flammables from under decks and house. Create a defensible strip by having big trees away from house. When cutting trees and branches, don't lift chain saw above shoulders; however, trimming branches from the ground to shoulder height will help to mitigate fire potential. The strategic approach of firefighting is to save as many houses as possible. Those easier to save will be higher on the list of priorities. County Commissioners are also putting fire mitigation in place. Grayson emphasized that collaboration is key. The Forest Service provided homeowners with a few pamphlets available on the back table. Fire department goals target structure protection: it is helpful for them to know where ammo/flammables are kept. The policy for locked gates: they will cut locks. If there is an electronic gate, the homeowners need to provide codes to Volunteer Fire Departments. Homeowners can have an emergency secondary code which is provided only to the fire department. Lake George contact number: 719-748-8505 for anything related to wild fires or national forests.
- Pre-evacuation notices: get yourself ready to go and heed warnings. If no land line, reverse 911 (Code Red) is available for cell phones. Go to <http://www.parkco.us/index.aspx?NID=97> to sign up for CodeRED Emergency Notification System.
- Law Enforcement. Deputy Lampman addressed the topic of Home Security and left packets on the back table with additional information. They indicated that there seems to be an increase in burglaries in mountain areas, including in cars. Deputy Lampman's business card was also available on back table. No ATVs are permitted on county roads; only licensed vehicles. Homeowners can purchase green reflecting address signs from

Northwest Fire Department for \$10 in Fairplay, Station 2, 719-836-3150. Deputy Lampman emphasized that homeowners should maintain key information on valuables, things with serial numbers in a safe place, including pictures of them and of the layout of the home so that if something is missing pertinent information is available for law enforcement reports. There is a Code Red app available for smart phones, which will help homeowners stay informed about road closures, etc. Homeowners should provide Sheriff with gate codes – speak with Robin at the Bailey substation. The County does have guidelines for posting the address on a property for easy access by emergency response vehicles.

The official Business Meeting of the Homeowner’s Association was called to order at 10:42 a.m.

Determination of quorum: 47 properties represented by people present and properties. A Quorum requires representation of 55 properties, either through attendance or proxy. The Board determined that it would conduct the meeting and then will contact the homeowner association attorney to determine if it could continue to collect outstanding proxies to validate the meeting outcomes. It was determined that the Board will hold a vote with those present and record votes. (Note: it was determined post meeting with the HOA attorney that additional proxy votes could be collected in order to have a quorum and have approved voting on meeting items.)

Annual Membership Meeting Minutes for 2013. Comments and corrections were requested from homeowners. No comments were offered. The Board asked for motion to accept the Minutes as written. Terry O’Neill, Lot 246 moved that the minutes as presented be accepted. The Motion was seconded by Gary Teff, Lot 168. Further discussion was requested from attendees, of which comments were offered in favor of affirmation. A vote was called which resulted in a Unanimous vote in favor of acceptance.

Open Forum regarding MHOA Business:

Ken Baker, Lot 169. Regarding board decision to close of Michigan Hill road and the North Entrance based on the economically infeasibility to keep the road open 365 days/year. Stated that homeowners were stuck on the hill four times this past winter and asked why equipment was not contracted for though it was available in the area. He indicated that Jefferson Heights’ roads were open. Felt that he should receive a refund of association dues because of the road closure. Board Response (BR): Jefferson Heights is not a MHOA responsibility. Michigan Hill residents are permitted to use Jefferson Heights’ roads as they are maintained by the County. There is a south exit from Michigan Hill. The Board is trying to use the members’ dues most effectively for all homeowners on the Hill. The Board indicated that there were times this past winter that CR 35 was closed as well. The Board investigated opening the 10’ drifts and looked into the equipment available. The skidder option was discussed with Southpark Plowing. It would use 60% less resources than a front end loader because of its maneuverability and would save money. The Board was in full communication with our snow plowing contractor and joint decisions were made regarding the conditions and the dollars available.

Helen Baker, Lot 169: Jamin and Tom did a wonderful job on the roads. However, couldn't get out for doctor's appointments. Indicated that it was disconcerting. BR: Not all of dues goes to roads; need to balance the total needs of the community over a year.

Terry O'Neill, Lot 246: This is an annual issue which becomes more important in some years because of weather conditions. In 2007, the County provided a pamphlet to homeowners advising them that they should be aware that the weather was a critical factor and to be prepared for living here. BR: This year had a number of large number of unanticipated expenses, including securing the south right-of-way for permanent access. The budget was stressed and had to make difficult decisions based on its fiduciary decisions. Regret that the tough choices adversely impacted some owners.

Loretta Hubert, Lot 91: Tom Clinton said himself in the past that it was difficult to keep the north entrance open. Asked if homeowners that can't get out of our driveways, could they call Tom? BR: There are several contractors on the hill who do plowing for homeowners and can be called.

Report of Officers:

President:

Last and this year were big for major issues: Two big easement issues have been handled by the Board:

- South Right of Way: road on the south cost the Association \$21,000 for a permanent right-of-way. Will never have to worry about that again. Will make five annual payments of \$4,200.
- MHOA Boundaries: The Board has been working with the Carringtons, Highplains Ranch (HPR) on boundaries. Some existing fencing was used to complete fencing for cattle. Over the 18 past years, HPR cattle grazing encroached on two outlots. The Board negotiated a great plan: 1) HPR to deeds back what was MHOA property, 2) HPR receives additional grazing land with the signing of a 20-year lease to permit HPR to use the southern burn pit area approximately 16 acres for grazing; and 3) MHOA will permit HPR access two weeks/year to put cows in burn pit area, approximately 18 areas, which will enable MHOA to apply for a rezoning of that area as agriculture. The rezoning will result in a saving of taxes. MHOA will incur fencing costs, which it will recoup through future lower tax burdens. HPR asks that owners on the Hill maintain trash so that it is not blown into the grazing land which is a danger to the cattle. MHOA will continue to work on fencing from Salli Bakers on past the Clinton's ; and will take out the majority of fence on the outlots. These efforts will provide a big border that homeowners will be able to walk. MHOA will not take out the old fence on Salli's property as she would like to keep that in place. No date yet available for two-week closure of burn pit area.
- General Comments:

- Cathleen Lourenco , Lots 185-86. What is the timeline for the temporary closure of burn pit? BR: will be posted on the News page.
 - For those who rent their cabins. Be sure to give visitors directions to the south entrance, especially in winter.
 - Tracy Baily, Lot 248: good job on the outlots.
- Augmentation Road: This road uses an existing road that is over 100 years old; however, is not on the right-of-way. MHOA is on the right side of adverse possession . The Board has contacted the 74 Ranch and their attorneys. Brent Barrows, who owns property, is putting in a driveway to an upper pasture, which started the conversation. Currently, this activity is not a high priority, but MHOA is sitting in a positive place. It is trying to work with the landowner who owns the first 30 feet. An option is to litigate; however, court cases cost up to \$10K and this avenue is not a good return on investment for MHOA.
 - Reserve Study: This information is part of the handouts available to homeowners as they signed in for the meeting. Reserves are looked at every year. The Reserve Study includes large assets of MHOA, such as the augmentation pond, the hand pump and the grader.
 - Augmentation pond. The pond has the original valve with a spillway and a weir upstream. This design requires monitoring and management to keep it full. It had been some seepage due to high water level which was fixed when logs were pulled out of the inlet/outlet spillway. The next concern is the valve and modifications required by the Water Commission. The modifications would handle the ponds as a flow through. The Board will tour an updated configuration to determine how to modify the MHOA pond.
 - Other items are: road grader, community hand water pump; and sever winter plowing emergency fund .
 - Financial Review. The Board was asked to take a look at the financials of the association at last year's annual meeting. MHOA was using two different software programs to run its financials, so it was difficult to conduct a review. The Board found a group in Denver of two CPAs who were retained to conduct this review. They have reviewed 2012 and 2013. The Association was asked to change a few things in tracking and recording different elements. All assets were accounted for and the processes for doing so were moved to one software program. The cost was \$700/year for the reviews. Budgets and Balance Sheets for these years were available for pick up at the sign-in table as well as being available on the website. MHOA received a Grade A blessing from the accountants.
 - Rules and Policies.
 - Covenants in Section 8: Animal Policy - clarification of covenants Section 8 - "No stables, corrals or other structure for the housing or feeding of horses or animals other than domestic pets, shall be located or placed

closer than fifty (50) feet to any lot line or street." April BOD meeting, owners expressed general consensus that horses should be 50 feet from property lines. Should MHOA define a Corral "as an area that is surrounded by a fence and used for holding animals such as horses? Park County Land Use Rules (LURs) – available link on website for homeowner access. If covenants and bylaws don't cover, fall back on the county. Section 5 talks about equines. Allowed 1 animal per 20,000- sq ft. of open land with a maximum of 4 on 10 acres. Horses shall be a minimum of 100 feet from any dwelling.. Horses are able to be up here. Must haul water. Would like input from the membership. Do we want/need to discuss this?

- Discussion:
 - Terry Hull, Lot 264: Kept property nice and hauled water. Only one who has horses. Only one this would be restricting is me. Ask that restrictions be necessary and that less restrictions is better. BR: Board wants to be fair therefore opening for discussion. Wants any clarifications to be by consensus.
 - Tom Clinton, Lot 202: As a neighbor, enjoy the horses.
 - Property owner next to Terry: If an issue, then deal with the next owner. Unless a huge problem with the next owner, don't waste your time.
 - Terry O'Neill. Lot 246: At the April meeting there was no anti-horse rhetoric expressed; just felt that the 50 ft boundary was reasonable. Felt that being more specific in the bylaws should be considered.
 - BR: The Board will table this discussion for now. However, it can revisit the 50 ft rule if becomes an issue.

Architectural Control Committee: Activity summary of Lot Management

- **Approved**
 - Lot 124: Cabin addition
 - Lot 113: Cabin re-stained
- **Pending:**
 - Lot 234: Awaiting additional information from Homeowner/contractor with regards to Home, Carport and Dog run.
 - Lot 209: Reviewing a temporary weather station on vacant land. Temporary research project from June to October. Don't see weather station as an issue. Asked for specific details regarding location.
- **Continuing Issues:**
 - **Lot 185:** The Board and ACC have been in contact with the new owners and have discussed that they complete an ACC approval form for the log fence at the front of their property that has been erected temporarily. ACC and homeowners are working together to address this.

- **Lot 77:** No building permit. No Certificate of Occupancy. Trailers, abandoned vehicles, trash and old unlicensed vehicles on property. Paperwork was sent to Park County Building Department and it is under the direction of Park County. The homeowners have been given a time table in which to comply with the County or they will be fined and red flagged. There is activity at this Lot to come into County Compliance.
- **Lot 216:** Trailer on lot. No structure. Active building permit and as of this date Homeowner has not submitted plans to build. It is also now under the direction of Park County to have the Homeowner to come into County compliance or ramifications will be the same as Lot 77.
- **Dog runs.** Currently reviewing covenants regarding dog runs because of increased interest by homeowners.
- **Portapotties.** If individuals go in with a motor home, and the toilet is inside the motor home, can use. According to Park County, an individual, free-standing portapotty must be permitted if used on a property and required when constructing a house or cabin.
- **Discussion:**
 - Andi Bailey, Lot 248: Was septic pumped out last year? BR: Yes, and it is locked.

At Large:

- Augmentation Pond: This pond is the vehicle through which MHOA homeowners receive the right to have well permits. It is key to properties and their values. We had the District Water Commissioner, Garver Brown come out and look at the pond. The design is old. Should have an inlet and a separate spillway rather than using one for both. To update, it requires a new design that has an enclosed spillway with gates. The new design permits monitoring and controlling the water level. It also requires the needs to dig a deeper canal. MHOA will need to look at work on the canal, gate and perhaps it is time to get engineers involved. The valve is difficult to open/close and its life is limited. Rather than spend money on the spillway, there is a need to contract engineers to redesign the augmentation pond so that MHOA can legally comply with commission requirements and water reports. Will take care of this with work taking place Fall 2014.
- Fish. The fish are on order. Last week the water level of the pond had to be lowered to accommodate fish delivery and to keep them in the pond.
- Snowplowing: It was a heavy duty year. Took the advice of the homeowners and gave contractor more control within specific guidelines. Jaimin and Tom (Southpark Plowing) did a tremendous job.
- Discussion:
 - Jerry Clinton, Lot 202: Would like to be able to catch fish and take them home and fry them. Now only permit those under 16 to fish and keep them. BR: The fish are available for take-home after September. MHOA invests about \$700 to stock fish in the pond.
 - Helen Baker, Lot 169: Do all the fish get fished out by fall? BR: There are very few left.
 - Andi Bailey, Lot 248: Is there still grass in the pond? BR: when the pond was dried out for repairs it seemed to eliminate the grass problem. MHOA has also

put grass carp in there to deal with the grass. The new pond design will eliminate many of these problems.

- Grader: The grader has been grading the roads. There is a very small budget for additional road gravel this year due to the amount added last year due to the great price. The roads seem to be in good shape. Will pull the ditches in the fall. Trying not to make a berm in front of driveways. MHOA has a 500 gallon diesel tank in burn pit to cut down costs of frequent fuel delivery. Conveniently services grader.
- Burn pit use: The burn pit is a huge benefit to homeowners. It was burned last year. Reminder to homeowners: no construction materials or stumps with rocks in roots should be dumped in burn pit.
- Weed control: An order has been placed to spray weeds. MHOA appreciates owners who are digging thistle to prevent spread.
 - Tom Clinton, Lot 202: Can we ask contractor to get out of truck rather than just spraying out of window in specific areas. Need to get out where the weeds are nasty. BR: will make that request.

Treasurer:

- Budget: actual from 2011, 12 and 13 and proposed 14. They show income and expenses. Key items of note:
 - Second payment of \$4.2K for easement – south entrance;
 - Fence repair and new fencing for lots C and E;
 - Fish for pond;
 - General repairs to fix inlets and outlets and the ditch. Will investigate getting an engineering firm in there to see what needs to be done. Reserves have \$8-9000 for this type of repair.
 - Road maintenance, culverts and ditches, grader/fuel/operator expenses. Reduced costs by using own grader; have maintenance on grader, needed new tires.
 - Snowplowing is a large budget item and this year is a heavy year. Big snow month was January.
 - Weed control.
 - Pumping costs for septic. Must pump because no leech field. The septic tank is one tank divided in two with two lids. Upper one drains to the lower one.
 - Deficit of \$11,000 for fencing, etc. Going into some reserves, but it is necessary given present local and regulatory demands.
 - Discussion: none. Terry O'Neill, Lot 246 offered a Motion to accept budget as presented: Gery Clinton, Lot 202, seconded the motion. The Board called for a vote, which was Unanimous in favor of acceptance.
- Provided first time balance sheet to homeowners for review. No further discussion.

Secretary:

- Board documentation: All documents on website at www.mhhoa.com. To contact Boardmembers, email boardmembers@mhhoa.com
- Elections:

- Larry McClymonds and Dennis Sherman’s terms are complete. Appreciation was expressed for the time and contributions made by them during their terms of office. The remaining three Board Members have one year remaining. Larry is willing to run one more term. Terry O’Neill, Lot 246, nominated Larry McClymonds to run. Larry accepted with the following comments: It has been a good year and the Association has accomplished a lot. There is a shortage of individuals who have time to volunteer. The Board has tried to listen. Larry loves to hear people’s interests and passions. .
- Dennis’s last term. A round of applause for all his work and contributions. He declined the opportunity to run for another term.
- Les Choate, Lot 185: lives in Highlands Ranch; in CO since late 70s. Recently bought in MH and will be building this next year. Self-employed-Mfg/sales. Larry McClymonds nominated Les Choate, who accepted.
- Terry O’Neill, Lot 246, nominated Larry King, who declined the nomination.
- The Board called for additional nominations of which none were forthcoming. It called for an affirmation of those nominated since there were enough nominations to fill the vacant position. 46 homeowners affirmed; 1 opposed.

New Business:

- Andy Bailey, Lot 248: It would be helpful to have a shed at burn pit for grader components, oil, chains, grease, etc. Discussion: If putting cows in that area for two weeks/year, need to make it cow friendly. A 10x10 Tough shed. Estimated Cost: \$700-2000. Would require assembly. Would benefit grader work, etc. Benefit outweighs the cost. That’s where the work is done on the grader. Terry O’Neill, Lot 246: Likes shed idea, 10x12 requires no permitting. With respect to the burn pit, the county has calls for input on burn pits. Unable to insure the introduction of hazardous materials. County looking at security issues. Traci Baily, Lot 248: happy to volunteer for researching shed proposal.
- Ken Baker, Lot 169: Can the board look at purchasing a tractor with a backhoe and with a snowblower. A 35-50 hp tractor will handle 24 inches of snow. Discussion: Board has been looking at a 4WD with a snowblower to assist with snow issues. Rocker 7 has an owner with a snowblower on a bobcat to keep roads open. It takes 200-250 hours average to keep the north entrance open; more if a bad year. The Board will look at the cost of equipment and operator. It takes \$6000 in operator costs just to keep the north entrance open. The board has discretion to pursue a shed; and a piece of equipment. Gerry Clinton, Lot 202, motioned for the Board to look into a shed as described. Seconded by Traci Bailey, Lot 248. No further discussion. Unanimous approval.
- Blocked private culverts: Concern on resources for individual homeowners to deal with their blocked culverts and other driveway maintenance concerns. Discussion: The Water Boy can pump water through to unblock, contact Steve Johnson. Tom Clinton, Lot 202, has a snowplow, does driveways, and spreads gravel. There are other contractors on the Hill who are available to help homeowners with these concerns.

- Volunteer Coordinator: There are a number of MHOA maintenance concerns that require volunteer assistance, such as keeping beaver pond stuff cleared, aspen in ditches, etc. MHOA has the survey back with individuals who have volunteered their time for items on the hill. The Board is seeking a Volunteer Coordinator to help coordinate some of these volunteers to help with these MHOA needs. Discussion: Can trees still be taken from side of road? BR: yes, there is 10 feet easement along the side of the road. Stay off of pinned area. Be sure to push dirt back in holes. Also, refer any greenhouses in Denver who may desire some of these ditch aspen to the Board.
- Member exchange on website: A member exchange on the website would need to be managed and would require a webmaster who could manage it. Suggestion: use the bulletin board by the pump for member exchange needs.

Thanks to all for coming. Assignment for this next year: meet your neighbors and either get them to come to next year's meeting or get their proxies.

Announcement: Helen Baker: is president of the Community Building and church. The association needs membership. Membership per family is \$20. There is a meeting on June 21 at 5:00 p.m. Need board members as well. The community building has a commercial kitchen which can be rented at the most reasonable rate in the area. August 16th is Jefferson days at the community Center. Have tables available at \$10 per table. The event is from 10-3.

Terry O'Neill, Lot 246, made a motion to adjourn. Larry McClymonds seconded the motion. Unanimous vote by homeowners. Meeting Adjourned.