

Minutes of the MHOA Board of Directors
Saturday, June 9, 2012 - 1:00 p.m.

Board members Fred Depenbrock, Sallie Baker, Patrick Strong, Jerry Clinton and Carol Smusz were all present, so a quorum was established. Fred called the meeting to order.

Other members present were: Tom Clinton, Mark Crosby, Jerry & Marilyn Dean, Dianne Hazlett, Linda Hazlett, Larry McClymonds, Terry & Judy O'Neill, Jamin Ramirez, Dennis Sherman and Carrie Smith.

Sallie moved we accept the April 14th minutes as posted, Jerry seconded the motion and it passed.

Open Forum: Larry McClymonds suggested that in the future the board meet at a neutral location, not a residence, so that more people would feel welcome.

REPORTS OF OFFICERS:

Fred Depenbrock: Fred addressed easement issues. He said that letters have been sent to the Carringtons and the Ernests. At the present time, the board has not heard back from these individuals, therefore no actions have been taken. Discussion included offering Carrington's lifetime grazing rights if the association continues to hold title to outlet E. Ernest's own the road on Red Hill Road, West of the Michigan Hill with Red Hill intersection running to their West boundary line. The association has easement rights to use the road until 2014. At that time, the association needs to acquire continued rights to use the road. Also, the association needs to acquire legal rights to use the roads to the augmentation pond and the weirs. Fred has been working on strategies with a lawyer in Fairplay. These issues will have to be resolved by the next board.

Fred reported to the Board in April that he found the water level of the augmentation pond had been drained down to the outlet valve. Kerry North said in early December water was running from our pond onto his land for five days. It iced over and was a dangerous situation for his horses. Fortunately, none of the horses was hurt. It appears someone opened the valve. Fred will file a malicious mischief complaint with the county concerning this action. Jerry Dean mentioned the weir gates are in bad shape and need repair. Volunteers will be needed to get our pond in good shape.

Fred presented his letter of resignation. Sallie moved we accept his resignation at the adjournment of the annual meeting, June 16th, 2012. Patrick seconded it, and the motion carried.

Sallie Baker: Sallie reported that the Amended Bylaws have been posted on our website for Owner Comment since April 25th. She passed out copies of the Bylaws as they appeared on the website at that time. She has received two suggested additions/changes from Mark Matulik for 7b and a new #16. She has received no other comments from Owners, but has discussed needed changes with current Board members and with David Firmin, our lawyer. Sallie passed out a memo to Board members and Owners showing suggested changes to the draft of the Amended and Restated Bylaws of Michigan Hill Owners Association Inc. that has appeared on line. See second attachment called "Bylaws memo".

-----Sallie moved we add CRS Removal of Directors 7-128-108 to 6c - Amended and Restated Bylaws. Jerry seconded the motion. There was a short discussion. The motion was voted on and carried.

-----Sallie moved we amend 7b by striking "Specific emergency situations may occur, requiring a shorter meeting notice. It will be incumbent upon the MHOA Board to provide a minimum notice of ten days in such emergency cases" and then accepting 7b as stated on the memo. in its entirety. Patrick seconded the motion. There was a discussion. Motion was voted upon and passed.

-----Sallie moved we approve 7c - QUORUM - as stated but delete the last phrase "except as indicated in Paragraph 12 below". Jerry seconded the motion. Again, there was some discussion. The motion was voted on and passed.

-----Sallie moved we approve 7f - with the new title SECRET BALLOTS, since 7f previously had no heading. Patrick seconded the motion. The motion was voted on and passed.

-----Sallie moved we approve 7g - VOTING. A simple majority decides the issue being voted on, unless it regards voting rights." Jerry seconded the motion. There was some discussion. Patrick offered a friendly motion to strike "unless it regards voting rights and instead say: "unless specifically defined otherwise." Sallie accepted the friendly motion. The motion was voted on and passed.

-----Sallie moved we add #16 as it appears in the memo to the draft of

Amended and Restated Bylaws as they are posted online:

“16. HOMOWNERS BILL OF RIGHTS (NINE REQUIRED POLICIES)

As required by the Colorado Common Interest Ownership Act (CCIOA 38-33.3-209), the Michigan Hill Owners Association Inc. has developed and adopted policies which establish a process of good governance, due diligence, and which compliment the Association’s Bylaws, Declaration of Covenants, and Articles of Incorporation. The Colorado Non-Profit Corporation Act: 7-128-101 vests authority to act on behalf of the Association in the Board of Directors. The Board adopts the policies after a thirty-day period of owner comment, but it is the Board’s responsibility to pass them. Members do not have a veto right.”

Patrick seconded the motion. A discussion followed. A friendly motion was offered that we strike the last sentence, “Members do not have a veto right concerning the policies” and that we delete the parenthetical phrase “nine required policies.” The motion was voted on including the friendly motion and it passed.

-----Sallie then moved that we accept the entire draft of the Amended and Restated Bylaws with amendments, as the final version of Bylaws for MHOA, effective June 9, 2012. Jerry Clinton seconded the motion. The motion passed.

Next on the agenda was a motion concerning the “Deviations” clause as it appears in eight of the nine required policies already passed. Since Owners have expressed concern, Sallie consulted David Firmin who suggested new clarifying language for the policies.

-----Sallie moved that the “deviations” clause currently posted in each of the eight policies online be stricken and the following added in its place - “In the event of emergencies or in the event the Board of Directors, in good faith, fails to fully comply with the above policy, such action taken will not invalidate the policy.” Patrick seconded the motion. The motion was voted on and passed.

-----In the absence of the Regulations Chairperson, Mark Matulik and in the interest of time, Sallie moved we table the Conduct of Meetings Policy and place it on the agenda as Old Business for the next duly constituted MHOA Board meeting. Carol seconded the motion. The motion was voted on and passed.

Jerry Clinton: The road committee consisting of Jerry Clinton, Gary Probasco and Carrie Smith met June 8th. Jerry had posted two jobs for road maintenance and snowplowing in the Flume and on our community

Bulletin Board for about 3 weeks. Only one bid was received for snowplowing and one bid for road maintenance. A one year contract for road maintenance and a three year contract for snowplowing from South Park Plowing LLC, owner Jamin Ramirez, was reviewed by the committee and recommended for a vote by the Board. Gary Probasco suggested that provision for a backhoe be added since our grader has limitations with the use of its blade. Carrie Smith agreed to make that addition to the contracts. The committee has suggested clearing aspens from the edge of the ditches, grading the road and adding gravel. Carrie created a map of the roads that are needing gravel. Jerry and Carrie estimated 42 loads of road base plus chat are needed for the worst sections of the roads. Jerry has talked to the company who sprays for weeds and they want to wait a bit longer to spray. Steve Bargas, the fire chief, has been contacted again about burning the pit but with the present burn bans he is unable to move forward with this. Options for the burn pit include closing the pit temporarily or increasing the size of the pit.

Jerry presented copies of the two contracts to the Board for review, noting that these contracts were based on the one written by David Firmin last winter. Jerry moved we accept these two contracts from South Park Plowing LLC, owner Jamin Ramirez. Sallie seconded the motion. Jerry recused herself from voting. The remainder of the board voted to approve the contracts, and the motion passed.

Patrick Strong: Reported 13 homeowners have not paid dues as of June 9th. Total expenses so far this year have been \$18,200. The checking balance is \$62,400. The budget for road material is \$5500. \$6000 had been budgeted for legal fees and so far we have spent \$10,000. But luckily road expenses have been down so we can re-allocate funds to legal expenses. Patrick stated that there is a \$6500 CD at the Colorado State Bank. He needs to talk to the prior treasure about \$2000 that has not been accounted for.

Quick Books are in place for the next treasurer. There was some discussion on whether a second notice was necessary. Everyone agreed that too much time elapses between the first notice and the due date so perhaps that should be readjusted.

Carol Smusz: I have been busy updating addresses and emails, preparing agendas and minutes, etc I have contacted approximately 30 people about serving on the board. Unfortunately, only one person has agreed to consider running. Nominations from the floor will be necessary to fill vacant positions on the board at the annual meeting.

With no further business to come before the board, Patrick moved we adjourn the meeting. Jerry seconded the motion. The motion passed and the meeting was adjourned.

Respectfully submitted,

Carol Smusz, secretary