

**Approved Meeting Minutes
Michigan Hill Homeowners Association
Board of Directors Meeting
Jefferson Community Church
7/28/12**

Larry McClymonds, Board President, called the meeting to order at 9AM.
Introduction of Board Members: Steve Johnson–Treasurer, Dennis Sherman-Vice President, Larry McClymonds-President, Blenda Crawford-Secretary, Jerry Clinton-Member-at-Large. It was recognized that a quorum was present.

Review of Board minutes from prior meetings; posted on website; call for changes/corrections. Minutes from Homeowners Meeting of June 16, 2012. Marilyn Dean read feedback provided to her by Sallie Baker concerning Page 4, Patrick Strong's treasurer's report and language around the need to talk to prior Treasurer. Wording confirmed as written. No other corrections. Dennis Sherman motions to accept minutes as submitted; Steve Johnson seconds. Vote of Board taken. Minutes accepted as written.

Minutes from Board meeting held June 15, 2012. Held at Fred Depenbrock's house before the general meeting. Call for changes/corrections. None. Steve Johnson motions to accept. Dennis Sherman seconds the motion. Call for a vote of the Board members. Minutes confirmed by Board.

Organizational meeting of new Board held June 23, 2012. Officers elected. Terry Robert resigns stating possible conflict of interest because of negotiations taking place around easement issues. Blenda Crawford appointed for one year to replace him. Board members for 2012-13: Larry McClymonds-President, Dennis Sherman-Vice President, Steve Johnson-Treasurer, Blenda Crawford-Secretary. This information has been posted to the website. Steve Johnson makes a motion to accept the minutes as written. Dennis Sherman seconds. Board vote confirms minutes as written.

Open Forum: Meeting opened to general audience concerns, questions, etc.

Ken Baker, Lot 169. Was advised by the previous secretary to send in a proxy if a homeowner can't make it to the general meeting. Asked the purpose of a proxy. Didn't want to sign a proxy because didn't know what was being voted upon at the meeting. Larry explained the rights of a proxy. Ken raised the issue that if you don't know who will be running; how does a homeowner know who to ask. Suggested offering an absentee ballot as option. Key problem is that many homeowners are nominated and placed on the ballot during a meeting so don't have a final ballot in advance. Option: get people's name in advance. The Board will put as an issue for further discussion.

Terry Hull, Lot 264. Just did all the roads. Had made a list of the addresses of the home owners whose culverts were cleaned out. Asked the Board if they wanted him to bill homeowners. Also some address posts need to be moved out of roadway.

Cary Smith, Lot 260. Signed road contracts – not available on website. Still trying to locate signed road contracts. Jamin Rameriz (lot 271) has a signed copy. Discussion ensued. It was reported that the originals were given to Fred and Sally. Transfer of all documents still in process. Jamin can furnish a copy. According to Jerry, Fred took originals and made copies for

everyone. Copies in box had no signatures. Board is in the process of obtaining the signed contracts.

Officer reports:

Larry McClymonds: Status of easements: ongoing work with the attorney and interested parties. Until final information is available, no progress will be reported to protect the process. Currently open conversations and negotiations. Until cleaned up, privacy is appropriate but are starting to make progress. Working on 3 easements: Carrington's – fenced 9 acres of Michigan Hill; Michigan Hill road at southeast corner – MH has had 30 year right-of-way. BLM sold land and MH needs to re-negotiate 530' section of road. Augmentation road – right-of-way crosses two properties. Attempting to work with property owners to reach an agreement and work through logistics of new right-of-way agreement. Trying to wrap these items up this year.

Conduct of meetings policy: draft #6 put up after new board appointed. The 5th draft was improved by Mark Matulik and the policy committee. This policy is required by CIOWA. Looks at proper procedures and how to work with people. This policy is a set of standards on how the vote takes place at standard meetings; conduct at meetings; owner input, etc. Until there is a motion from the board, no input from the general audience.

No additional comments from the board. The policy will ultimately be approved by the Homeowners. The current draft is on the website under governing documents. Steve Johnson motions to adopt draft #6 of the policy. Dennis Sherman seconds the motion.

Discussion from the floor:

Cary Smith Lot 260: does the document allow recording even though the attorney recommended against it? Board response: yes. Can anyone record? Yes. Helps to keep meetings civil and treat people appropriately. Vote of board called. Motion carries.

Reserve study policy requirement: The requirement of a Reserve Study puts a budget together for roads, gravel, culverts, etc. It forces a Homeowners Association to create a study that identifies the assets of the community, roads, grader, fences, fenced off burn pit, augmentation pond, etc. It takes a look at the assets, and puts them into several classes. For MH, it includes the augmentation pond, weir, ditch, operating equip, etc. Assures that there is adequate reserves in place to replace assets as needed to take care of them. The Board would like to create a Reserve study committee, 4-6 members, and will look for volunteers to get started on this requirement. Blenda Crawford moved for a Baseline reserve committee to be appointed with the duties to provide a baseline report due by April 14, 2013. Guidance is provided in the reserve study guidelines. Study identifies assets and estimated costs of replacement and identifies additional maintenance which may surface over the next ten years.

Discussion from the floor:

Cary Smith – is there a formula? No. What is the period of time that this committee needs to look at? Larry McClymonds responded that the scope of the reserve policy covers asset identification and anticipated repair and potential replacement costs. It includes a physical and financial analysis; and must be completed within 12 months. It includes a physical analysis of inventory, things that need to be maintained, condition of components, estimates of remaining useful life, analysis of funds, and relation of expected needs. The committee will identify useful life of various assets. Call for board vote: all approved.

Campers and Trailers: Larry contacted Mark Matulik to look at specific sections, specifically one brought up by Terry Hull at the general meeting, section 9 regarding campers and trailers. He will review how an improved lot is defined and guidelines for campers on improved property and on unimproved lots. Mark will review section 9 and enforcement covenants. He will also review surrounding issues, including ability of the association or designated board member to enter

upon a lot if there is an issue to rectify things. He will also look at state, county and association laws and look at how MH as a community wants to handle those issues. How should conflicts between county and MHHOA covenants be handled?

Discussion opened to floor for discussion:

Terry Hull would like clarification regarding camping on properties. The Gallegos have property behind him and were taken to court because of leaving camper on lot. MHOA won and the Gallegos could not use it on an improved lot. Dennis Sherman indicated that if someone stays in a camper on an improved lot for a weekend, it is not a problem. Question: What if someone is staying in your motor home which is always on the property? Would like Board clarification.

Ken Baker – asked who is going to make the determination to what is an improved lot? A lawyer, a study group? Gerry Dean, Lot 130, raised the question as to why can't MH go back to the way it was originally, go back to the county rules of leaving a trailer from Memorial Day to Labor Day and have the association give a permit for that summer period of time. Suggest that it would help people that are selling their properties. Terry Hull – indicated that a trailer on a house up from Utley's house has been on there 4 years. Has had four different plans submitted.

Board response: these are good suggestions that will be pushed to the committee. Good changes take time. A lot of ideas are out there and it will take time to bring things to alignment. The board will ask for input, including Attorney Group Hindman Sanchez and community input. Consensus is a good thing. Additional clarifications will include trailers being left all year long, including those which have a building permit with no activity. At the end of the research and discussion, some language that is acceptable to the community that looks at the whole section that includes use of trailers will be drafted. We hear and appreciate suggestions and complaints. MHOA members should email board members with additional input on this and other items of interest.

Dennis Sherman – Architectural Control Committee:

Mike Hogan provided the report for the ACC. Notes presented by committee incorporated by reference. See Appendix A. Key topics: Look into how approvals are handed out, i.e. placement, neighbors, types of turbines, etc. Logistical information was exchanged to assist ACC with follow up on issues. Three new members on ACC were each elected for 3-yr term. Mike suggests converting to a 1-, 2- and 3- year terms so that there is continuity to the ACC, same as the Board.

Larry requested that Dennis to oversee newsletter.

Jerry Clinton – Member at large, overseeing roads: Reported that a start-up procedure done each time the equipment is used. Started grading 6/15/12. 7/19/12 – roads look wider and are ready for road base. Start up procedures on the grader: two new filters replaced and air filters cleaned. Will need two new blades. Have kept track of fuel on log book. Never given one so didn't know that she needed one. The Terry Hull and Jamin Rameriz have a log book. Going to go through it make herself one. All culverts are cleaned and some needed to straighten; otherwise done. Terry Hull explained grader startup procedure. Clinton has a proposal for a 500-gal fuel tank, purchased out of Fairplay. Able to purchase fuel at a little less than paying at the pump, which will be cheaper in the long run. An estimate was requested on how much fuel is generally used over a summer. Discussed the need winter mix which is different than fuel used in the summer. Grader holds 75 gals. Discussion raised the need to locate the association's fuel barrel hand pump. Culverts: piles of dirt remaining from culvert work. Larry requested that Terry/Tom think about what to do with remainder piles. Also requested that they

check some of the places where piles/ridges remain for water puddles. Terry Hull indicated that he went with a couple of teenagers and raked out most of the piles. Gravel: Budget is \$5500. How much gravel: 10 loads 15 tons per load, \$2300 for gravel and trips. Needs 42 loads. \$10,000. Possible topic for reserve study.

Cary Smith asked if the remaining balance from last year's budget, mentioned at the general meeting, be used for additional road work this year. Larry indicated that at those funds had to be used toward attorneys' fees and that the Board will stick to budget right now. Will have another road grading late summer/early fall. Steve Johnson recommended spending a little more now since MH was getting a good price on the gravel. Larry suggested bumping the budget to \$7000 on gravel. Steve Johnson made the motion to spend \$7000; Dennis Sherman seconded the motion

Discussion was opened to the floor:

Marilyn Dean, supportive of additional budget since the roads were just widened. Tom Clinton – will work with truckers to get paid at end of project, with check due at end of project.

Call for vote on motion: Approved by board.

Augmentation pond: full and stocked. 105 rainbow trout, 6 carp and two 24-inch trophy trout. Weir: needs repair, option: sandbags. Tom Clinton – rather than dig out and reform, use sand bags around the base. Needs to find sandbags. Repairing outside flow. Come in bundles of 100. Want small ones that are partially filled. Larry will go online to find. Jerry Dean will check as well.

Augmentation fill ditch: working fine. Does need some work – work day? Part of the new easement will provide right-of-way so that MH can make repairs. Will need a culvert for draining lake as part of plans.

Burn pit: another berm has been built with grader, 3 feet deeper than previous berm. Need to avoid surface water. Terry Hull – suggest adding budget item for burn pit as contribution for fire department to get it burned more often. Also, commercial chippers may be interested – Tom Clinton will check.

Pete Armstrong – still wanting to get in and get some wood.

Steve Johnson – Treasurer's report: Number of Lot dues not paid: 9. Will send additional letter and file liens where no response. Checking balance: \$24,000. Other \$2,000 CD was located and access was gained. Additional CD comes due in September. CDs were shopped around and best ROI found. All investments have been located and will be relocated and put into primary bank. Savings \$40,800 (taken out of checking account). \$6,000 in Texas CD. Will be getting a bookkeeper who will start August 1. Has four outstanding bills: about \$5,000. Jerry Clinton has outstanding bills to submit. Has bill for weed spraying, Hindman Sanchez, and State Farm Insurance. Looking into re-quotes for insurance. Insurance bill is \$1,900. All numbers are approximate.

Larry McClymonds made a motion to officially remove last year's board members (Fred Depenbrock, Patrick Strong, and Jerry Clinton) as signators on bank accounts and other financial instruments and add three of the current board members: Larry McClymonds – President, Dennis Sherman – Vice President, and Steve Johnson – Treasurer. Steve Johnson seconds the motion.

Floor Discussion: buy enough fuel to fill up tank so that checks for fuel can be timely. Think about a debit card. Anyone that's a signer can have a debit card.

Vote called: motion to change signators approved.

Blenda Crawford - Secretary report: requested that information/reports/notes and any other documents which are prepared for presentation at a Board meeting be forwarded to her at secretary @mhhoa.com so that they can be included in the minute notes. The board agreed that the Secretary will be given and house official MH documents.

New business:

Jerry Clinton: when she needs to go get fuel, what is the process. Steve and Jerry will work out a process. Needs another 50 gallons. Will find a way to pay bills directly from the association. Could set up an account with Sinclair in Fairplay. Jerry will provide Sinclair manager's name and number.

Ken Baker – introduced the possibility that he and Terry Hull fill in ditch on north entrance. Larry introduced the idea of taking culvert across the road and run down the west side of the road. Ken, Tom, et al. to look at logistics and get back to Board. Possibility of getting rid of some of the excess dirt from the culvert cleanouts there. The question was raised as to whether MH needs to get with State Water Board? Mark Matulik will be back next week and Larry will get with him on these questions.

Steve Johnson motions to adjourn. Dennis Sherman seconds. Vote called: All approve.