

Approved Annual General Meeting Minutes

Michigan Hill Owners Association

Saturday, June 16th, 2012 – 10:00 A.M.

Jefferson Community Center

President Fred Depenbrock called the meeting to order at 10:20 a.m. The agenda for this meeting was approved with one deletion: "5bi1 Motion to approve Policies and Procedures Additions". Fred introduced the board – Fred Depenbrock, President, Sallie Baker, Vice-President, Carol Smusz, Secretary, Patrick Strong, Treasurer and Jerry Clinton, Member-At-Large.

Minutes from the June 4th, 2011 annual meeting, recorded by Diana Johnson, recorder, have been posted on the website for approximately one year. Additions or corrections were requested. Fred asked that his name be spelled correctly. Sallie asked that Diana Johnson's name be added since she was the recorder for last year's annual meeting in 2011. Fred asked if anyone recalled who made the statement "Our access to the pond is a County Road". Since no one claimed the statement, or knew who made it – it was removed from the minutes. With no further corrections, Sallie moved that we accept the minutes as corrected. Mark Matulik seconded the motion. The motion carried. We will remove "draft" from the minutes on the website.

When asked by the President, it was noted by the Secretary that, based on the Bylaws passed by the Board on June 9, 2012, there was a quorum of at least 20% of the membership present, in person or by proxy for a total of 105 votes.

Open Forum

Dennis Sherman wanted to know if the pond was to be restocked with fish. Fred deferred the answer to his report on easements later in the meeting.

Diana Johnson stated she had read the Bylaws the night before and felt several items need to be revised before we pass the amended Bylaws.

Reports of Officers:

Fred Depenbrock: Presented information on the three easement issues.

1. Adverse Possession Issue for Outlot E: There has been correspondence and dialogue with the Carringtons regarding the lack of fencing between the Association and their ranch. (Note: It is a "fence-out state".) The Carringtons are in a position to claim adverse possession for Outlot E since Outlot E was never fenced by MHOA and more than 18 years have passed. The Carringtons

communicated to the Board a willingness to discuss a fifty-year lease option of a different property with the MHOA Board, in exchange for their claim of adverse possession of Outlot E. Sallie presented a memo she had typed up containing notes she had received from the Carringtons by phone on June 15th, 2012. Fred asked for a show of hands for those who feel we should try to retain ownership of Outlot E. The majority of the members agreed we should try to maintain our borders.

2. Red Hill Road Easement: At the intersection of Michigan Hill and Red Hill Rd, there is a stretch of road 530 feet that is privately owned by the Earnests. At the present time, the Association has a right-of-way granted until January 2014. The Association needs to be pro-active about negotiating a continued easement of that road for access to Michigan Hill. A letter was sent to the Earnests who have not yet responded to the Board.
3. Augmentation Pond: The road to MHOA's augmentation pond and weir have been used by the Association for many years, but there is no established easement for our access. We hope to work with the landowners to establish an easement so that money does not have to be spent on legal services to address our right to adverse possession. Again, the Association needs to be pro-active about this easement issue.

At the December 10th 2011 Board meeting, Fred reported (by phone) that he and Mark Matulik had monitored the measuring of the augmentation pond and released the required amount of water in the early fall. He said our Association works with the Water Board in Greeley and the Division of Water Resources to comply with water requirements necessary to maintain our wells. Fred said when he returned to Michigan Hill in April 2012 for the Board meeting, he found the pond was drained down to the valve level (approximately 8 feet). Tom Clinton and Jerry Dean were able to open the weirs and fill the pond to the appropriate level. According to the landowner nearby, someone had been seen opening the pond's outlet valve, causing water to drain into nearby pastures for approximately four days. Fred reported this malicious mischief incident to the Sheriff. However since this would be considered a criminal activity, no further action was taken. Steve Johnson suggested we put a lock on the weir gate to prevent further problems of this kind.

Fred reported that, according to Terry Hull, in 2003 Terry rebuilt the weir. At the present time, it needs to be repaired and ditches need to be dug out. Bob Berg asked if we would have to settle the easement issue before we could access the weir to make the necessary repairs. Fred felt there would be no problem getting permission to go on the property to make the needed repairs.

Mark Matulik thanked Fred for his work on these easement issues and felt this is the plan we need to follow versus legal action. Larry McClymonds asked who the attorney is on the easement matters. Fred responded that we have been working with Tracie Hulbert of The Hulbert Law Office, LLC in Fairplay.

In answer to Dennis Sherman's earlier question about stocking the pond, Fred said all the fish in the pond had died because of freezing due to the low level of water over the winter. Fred felt it was important to maintain a stable water level in the pond, before restocking it. The pond is now full and can be restocked this summer.

Fred announced he had submitted his resignation to the board at the June 9, 2012 Board meeting.

Sallie Baker: Introduced David Firmin, the attorney from Hindman Sanchez who has been working with the association on the 9 Required Policies and the amended and restated Bylaws. David handed out "Understanding Your Association's Governing Documents" and briefly explained why it was necessary to rewrite the Bylaws and adopt the Nine Required Policies in order to comply with CCIOA. He mentioned that he has worked with about 1,800 Associations all over Colorado, and that the process of compliance always creates growing pains. It is not easy to go through so much change all at once.

David Firmin conducted a question and answer period prior to voting on the amended and restated Bylaws. There were a number of questions from the membership. Terry O'Neill asked David why he was opposed to recording the meetings since there is no state statute that prohibits it. David stated that it is not against the law to record, but he does not think it is good governance for Associations to do so, and stated examples that supported his philosophy. He advises Associations to establish a policy that excludes the recording of meetings because multiple recordings of the same meeting can appear on-line and in the press, and can eventually lead to unwanted publicity. His goal for the Associations he works with is to keep them out of the "news" and therefore enhance property values.

Mark Matulik presented the history and background for MHOA's compliance process. In 2006 it was brought to the Association's attention that MHOA would have to come into compliance with CCIOA, SB100 and SB89. So the Board posted a 2006 compliance plan on the MHOA website. In 2011 Terry O'Neill sent a letter to the MHOA Board requesting movement be made towards compliance. The Board then hired Hindman Sanchez Law Firm to review all MHOA's governing documents and give a detailed outline of changes needed. That review/outline, dated May 13, 2011, was the basis of all the changes made by the regulations committee. At Board meetings on July 16th and August 28th a regulations committee was established with Mark Matulik as chair, and members including Dave Hazlett, Jerry Dean, and Carol Smusz. Sallie stepped up as "project manager", and assumed responsibility for meeting with the attorneys to establish the amended Bylaws and Policies. Through her perseverance, the Policies and Bylaws are before the membership today. Mark Matulik, as Chair of the Regulations Committee, moved we approve the 2012 Amended and Restated ByLaws as passed at the June 9th Board meeting and subsequently amended on June 15, 2012. No second was required since this was a Committee recommendation. Fred asked for questions.

(1) Bob Berg had questions concerning Directors Insurance. Fred stated that the Association has been carrying this for several years so it is not considered a new item.

(2) Terry Hull had questions concerning trailers on homeowner's improved lots and felt the Bylaws need to be changed to correct a bias that seems to exist against owners of "improved lots". Mark mentioned that Terry had a good point, and that the next board needs to address that issue.

Fred asked if the membership desired a secret ballot for the upcoming vote on the Bylaws. No one indicated such a desire. So the vote was taken by a show of hands to approve the Amended and Restated 2012 Bylaws. The Bylaws passed unanimously.

Jerry Dean presented the ACC report: The Committee last year approved: 1 home, 3 sheds, 4 roofs, 1 deck. He thanked Traci Bailey and Emily Sherman for working on a list of items that need to be looked at by the new ACC Committee. Jerry was told by the Sheriff's office that ACC members or Board members are not allowed to go onto homeowner's properties to measure or inspect, without permission from the homeowner, as this is considered trespassing.

Jerry Clinton: Thanked the board for their hard work this year. She thanked Tom Clinton for volunteering his assistance throughout the year. The road committee met June 8, 2012 to discuss road conditions. Aspen trees need to be dug up and removed as they are infringing on the roads, ditches need to be dug out and lots of grading needs to be done. Cary Smith from the roads committee has created a map of the roads that need the most work. He predicted that approximately 42 loads of road base material are needed. Jerry posted the jobs for snowplowing and road maintenance on our Community Bulletin Board and in the Flume for three weeks and received only one bid for both contracts from South Park Plowing LLC. On June 9th 2012, Jerry brought a motion to the Board from her committee recommending the approval of the Road Maintenance Contract and the Snow Plowing contract with South Park Plowing LLC, owned by Jamin Ramirez. Jerry recused herself from voting and the board approved both contracts. South Park Plowing has provided its LLC license, Driver's License information, and insurance information with liability limits of \$500,000 (The roads committee report and copies of both contracts will be posted on our website.)

Jerry has talked to the folks who spray for weeds but they want to wait until the weeds are bigger. She has spoken to Steve Bargus numerous times about burning the pit. We are on his list but will have to wait until the burn bans are lifted. Fred stopped by the fire station to discuss options but Steve has not gotten back with him. We could make the pile larger or we could close the pit temporarily. Marilyn Matulik said she was contacted by IREA about cutting down some of their trees. But that is a limited service for trees that interfere with their power lines.

Larry McClymonds asked if the snow plowing and road maintenance contracts will be available on the website. And Jerry said they will be.

Patrick Strong: Patrick reported \$62,260 in our checking account as of today, \$853 in savings, \$6522 in a CD. He has one dues payment check to deposit. Nine lot owners have not yet paid. Patrick has not been able to resolve the balance of about \$2000 in a second CD that is held at a different bank. This will be a matter for the new MHOA Board to solve with assistance from the prior bookkeeper.

He summarized expenditures this year so far: Professional fees - \$11,900 including \$1200 for a surveyor; snow plowing and road maintenance \$5000. Due to the lighter winter, we spent less on roads than we had budgeted. The next proposed budget will be prepared by the new board.

Carol Smusz: Carol thanked Beverly Matulik and Jill Ramirez for helping with the sign in procedure, proxies and ballot count. She suggested that next year, anyone having more than five proxies should present them to the Secretary prior to the day of the meeting so that the Secretary can record them before the morning of the annual meeting.

Carol read letters of resignation from Sallie Baker and herself. Also, Patrick indicated that he was not interested in being re-elected.

Nominations were then taken from the floor for the Board of Directors:

Larry McClymonds nominated – Dennis Sherman

Mark Matulik nominated – Larry McClymonds

Terry Roberts nominated – Steve Johnson

Mark Matulik nominated – Terry Roberts

Sallie Baker nominated – Marilyn Dean

Anne Haralson moved we closed the nominations. Terry O'Neill seconded the motion. The motion passed.

A secret ballot was taken and the following individuals were elected: Larry McClymonds, Terry Roberts, Steve Johnson and Dennis Sherman.

Since all three Architectural Control Committee members were appointed by the Board to fill temporary vacancies due to resignations, all three positions on the ACC had to be filled. Nominations were taken from the floor for the ACC for three year terms:

Mark Matulik nominated – Traci Bailey

Dennis Sherman nominated – Alan Lubow

Sallie nominated – Bob Berg

Gary Peters nominated – Mike Hogan

Debbie Cain moved nominations cease. Dennis Sherman seconded the motion.

A secret ballot was taken and the following individuals were elected: Tracy Bailey, Mark Hogan and Alan Lubow.

With no further business to come before the Association, Blenda Crawford moved the meeting be adjourned. Jerry Dean seconded and the motion carried.

Meeting was adjourned.

Respectfully submitted by Carol Smusz, Secretary