

Vallecito Valley II Property Owners Association Annual Meeting September 5, 2020

The 2020 Annual Meeting of Vallecito Valley II Property Owners was held Saturday, September 5, 2020 at the home of Frank & Sharen Pace, 787 Mushroom Lane. For those property owners unable to attend the meeting, a proxy form was included in the emailed & USPS notification of this meeting that was distributed August 4th with the request they be returned for counting and documentation. The proxies were reissued to members on September 2nd to comply with legal requirements for a valid proxy.

The meeting had been postponed from its usual date in July due to the Covid 19 corona virus. Colorado Guidelines were observed at the meeting site: social distancing, face masks, sanitary hand wipes, signage and individual sign in pens.

Board Members present: Frank Pace (President), Deb Retzloff (Vice President), Ted Wenrich (Treasurer), and Charlotte Lindborg (Member-at-Large).

Registration

Property owners present documented their attendance by signing in on an attendance sheet provided with lot number(s) and any proxies held. A total of 26 Proxies were received, representing 36 lots, either by the Association prior to the meeting or during registration. All proxies were documented. Property owners present in person totaled 22, representing 29 lots. Sign in sheets and the POA Board Secretary's annual meeting quorum tally sheet, documenting a quorum, and a copy of these minutes are on file with the President.

Call to Order

VV2 POA Board President, Frank Pace, called the meeting to order at 9:40 a.m. All members present introduced themselves. New members were recognized and welcomed.

Vice President, Deb Retzloff, provided an overview of meeting protocol provided in the Vallecito Valley Second Addition Governance Policies and Procedures, Article 3, Conduct of Meetings, C. Owner Conduct, which states:

- C. Owner Conduct. When speaking at a meeting, Owners shall abide by the following:
- No owner is entitled to speak until recognized by the chair.
 - Comments are to be restricted to the agenda item being discussed.
 - Owners are expected to behave courteously and if they do not, the chair may terminate the Owner's comment period.
 - Owners shall not interrupt when another Owner has the floor.
 - Owners should avoid repetition of comments already made other than to endorse what has already been said.

Also, in accordance with Section 3.B and in compliance with the Colorado Common Interest Ownership Act related to meetings, the Board has determined that a reasonable time limit for any owner comments will be 2-3 minutes, and a maximum of 3 people speaking on each side of any issue will be allowed

Due to an increase in recent property sales, resulting in a number of new owners the ARC and Board worked together to finalize a New Owner Information Sheet that was provided as a handout when you checked in. The need for a quick reference was emphasized after a couple of violations by new owners occurred that had not been previously approved by the ARC as required in our POA governing

Vallecito Valley II Property Owners Association Annual Meeting
September 5, 2020

documents. The New Owner Information Sheet is only a summary of POA governing document provisions, particularly the Covenants, Conditions and Restrictions (CC&R's) and Design Review Guidelines, which are located on the VV2 website. This summary in no way replaces or overrides any provisions of the existing POA documents. All property owners are encouraged to review and become familiar with our POA governing documents, particularly before starting any action that would qualify as new construction or property improvement.

This form has been sent to all new owners who have closed on new properties within the last few months, and a copy has been included with these minutes.

Establishment of a Quorum

65 lots (48 owners) were represented by members present or by proxy. Deb Retzloff declared a quorum so the meeting could proceed.

Reading of the 2019 Property Owners Association Minutes annual meeting

Charlotte Lindborg read a condensed version of the minutes since they were included in the email and USPS annual meeting packet distribution. Members present offered no corrections, additions, or deletions. Motion was made by Frank Pace (Second: George Ralston) to accept the minutes as distributed and read. The motion was approved by acclamation. Approved minutes from 2019 are on file with the Vallecito Valley "Second Addition" President.

Treasurer's Report (Balance Sheet, P&L, 2020-2021 Budget, 2020 Assessment)

Association Board Treasurer, Ted Wenrich, provided copies of the Treasurer's Report at the meeting for the members. Ted presented the Financial Statements for the period July 1, 2019 through June 30, 2020. He highlighted the following:

- The Association has a strong financial position with \$26,512 in unrestricted equity funds.
- The fiscal year ended with income in excess of expenses by \$45.
- The 2020 -2021 budget calls for an annual member assessment of \$200 per lot. The same as the previous year.

Harold Retzloff asked how much had been spent to date on the CC&R revision project. The total to date is approximately \$4,100.

Frank Stover made a motion to accept the 2020 – 2021 Budget as presented (Second: George Ralston). Motion approved by acclamation. Andy Williams made a motion to approve the 2020 - 2021 Association annual assessment of \$200 per lot. (Second: Mike Deveraux). Motion approved by acclamation.

Architectural Review Committee (ARC) Report

Harold Retzloff, ARC Chair, provided the Architectural Review Committee summary of activities over the last year:

The ARC membership is comprised of Harold Retzloff, Marion Hutchison, and Frank Stover. Ken Hedrick serves as an alternate. Frank Stover is moving and Ken Hendrick will fill the vacancy on the ARC.

The ARC report is attached to the minutes.

Vallecito Valley II Property Owners Association Annual Meeting
September 5, 2020

Election of Board Members and Board Alternates

Frank Stover provided a summary of the elections required. There are two (2) Board of Director vacancies. Deb Retzloff's and Cliff Simpson's terms have expired and they are seeking reelection to the Board for a three year term. Robert Little is also a candidate for the Board. Additional nominations can be made from the floor. Frank asked if there were any floor nominations for the Board of Director vacancies. There were none.

The candidates were given the opportunity to speak. Deb Retzloff announced that she was withdrawing as a candidate for Director. With two open Director positions and two candidates, Robert Little and Cliff Simpson, they were elected by acclamation.

Frank advised that there were two (2) Board Alternate positions open for a 3-year term, previously held by Robert Little and Charlotte Lindborg, who was appointed by the Board in accordance with Article 2, Section 2.5 of the Vallecito Valley "Second Addition" Bylaws, to fill the Board position vacated by the resignation of Eleanor Dickey.

Frank asked for nominations from the floor for these Board Alternate positions. Floor nominations were received for Sheila Haisler and Mike Deveraux. With two open Alternate Director positions and two candidates they were elected by acclamation.

Unfinished Business

- At the 2019 Annual Meeting, Charlotte Lindborg requested that the Board consider purchasing a sweeper for Association use in sweeping up gravel from the common areas. The Board agreed to review this as an option.

Frank Pace reported that the lowest price level for a reliable machine was approximately \$577. After discussing the pros and cons it was decided to not pursue a sweeper purchase.

- Earlier this year the Board received a request to review the VV2 website for items that were out of date or no longer applicable. Deb Retzloff volunteered to lead this effort and did a thorough review of the website contents, tested links and then provided a recommendation to the Board regarding edits that would facilitate more timely updates for the future.

As a result of this effort, the following changes were submitted to James Kelley, our VV2 webmaster for handling. Some items are still pending. The new Board can undertake any edits that have not been completed as of this annual meeting:

- ✓ Home page was updated to include current utility company references and local information with links to applicable websites
- ✓ Current events/news section was updated to only include the most current information which at this point in time relates to the pandemic
- ✓ The Association Library section was renamed "POA governing documents" to more accurately identify the items included in this section which include:
 - The Bylaws,

Vallecito Valley II Property Owners Association Annual Meeting
September 5, 2020

- CC & R's,
 - Plat Map,
 - ARC Guidelines and associated documents (ARC Construction Checklist, Builders Code of Conduct, RV Checklist),
 - La Plata County Fire Code and Flood Plan Regulations (with links to current guidelines)
 - Weed Policy, and
 - Tree Removal Policy
- ✓ The Documents section was renamed to **"Minutes and Budgets"** to more accurately identify its contents which include the Annual Meeting Minutes from the last 2 years, the current POA Annual Meeting Notice, and current VV2 Budget. This section is password protected so you will need to log in with the Username and password (www.vallecitovalley2.com, valley2, hoa)
- ✓ Sections deleted so the website only includes those items which the Board actively keeps updated:
- Schedule
 - Gallery
 - Available properties (Area realtors can manage that better), and
 - VV2 construction guide, which already resides within the "POA governing documents" section

Sherri Little requested an answer as to why the POA contact listing is no longer available on the VV2 website. Deb advised that the Association attorney had advised the Board that the required consent to include phone and email information had not been completed for all property owners and therefore the contact listing should be omitted from the website, until such time the VV2 Board is able to obtain the required consents.

- Over the past 3 years the annual meeting budget has included a line item identified as "Revision of CC &Rs" in anticipation of an initiative to update our existing CC&R's. That effort started in earnest earlier this year when individual Board members identified areas that they felt were ambiguous and needed some review and update for clarity. At their May 2020 Board meeting the Board decided to undertake the following phase approach for this project:
 1. "Declarant" phase: Ensure all necessary applicable responsibilities that the Association is already handling be adequately addressed in an assignment of Declarant rights from Don Wheat (Declarant) to the Association. Excluded items include the sewer lines which are the responsibility of Upper Valley Sanitation.
 2. "Housekeeping" phase: Have the Association Attorney provide the Board with an updated pro forma CC&R template which includes current State of Colorado statutes for property owner associations.
 3. "Issues" phase: Work with the ARC and property owner input, to address ambiguities, language conflicts between sections and items that surface often for ARC and Board review and action, mainly the "Permitted Uses" section of the CC&R's.

Vallecito Valley II Property Owners Association Annual Meeting
September 5, 2020

New Business

There was no new business.

Adjournment

There being no further business to come before the meeting, the meeting was adjourned at 11:00 a.m.

Respectfully submitted,

Ted Wenrich

Ted Wenrich
Acting Secretary

VALLECITO VALLEY II PROPERTY OWNERS ASSOCIATION

NEW OWNER INFORMATION

The Board of Vallecito Valley II Property Owners Association (VVII) welcomes you as new member of our neighborhood. Whether you've purchased an existing home or an undeveloped lot, we hope that you've already made yourself familiar with the Covenants, Conditions and Restrictions (CC&Rs) and Design Review Guidelines (DRGs), which govern property use, construction activity and association membership. If you haven't had the opportunity to do so, we encourage you to review those documents as soon as possible. They are available for viewing and download in the POA Governing Documents section of our website at www.vallecitovalley2.com.

To ensure that all new owners are familiar with the more important elements of the CC&Rs and DRGs, the following items are provided by the Board and the Architectural Review Committee (ARC) for your reference:

- **New Construction.** New construction requires pre-application and written authorization from the ARC. A Builder's Checklist is available on the POA website.
- **Exterior Remodeling.** Exterior remodeling requires pre-application and written authorization from the ARC.
- **Recreational Vehicles.** Placement of an RV on a lot requires pre-application and written authorization from the ARC. An RV Checklist regarding RV use is available on the POA website.
- **Storage Sheds.** Placement of storage buildings require pre-application and written authorization from the ARC.
- **Tree Removal.** Tree removal for diseased or problem trees requires prior written approval from an ARC or Board member. Tree removal associated with new construction requires ARC authorization as part of the new construction application process. A tree removal application is available on the POA website for removal of diseased or problem trees.
- **Floodplain Regulation.** Many lots in VVII are located within FEMA-regulated floodplain and floodway areas. Prior to any new construction activity, owners should consult with a hydrologic engineer and contact the La Plata County Building Department to review all current floodplain development regulations.
- **Creek Setbacks.** No permanent or temporary structures, vehicles, trailers, equipment or other improvements shall be placed within 60' from the banks of Vallecito or Boletus Creek in order to protect the viewshed for all owners along the creeks.
- **Parking.** All vehicles, including trailers, shall only be parked on approved driveways and parking areas. On-street parking is not allowed.
- **Lot Maintenance.** All lots are to be kept regularly mowed and cleared of tall weeds, debris and waste materials.
- **Pets.** Dogs shall be leashed or otherwise restrained at all times when outside of an owner's property.
- **POA Dues.** Annual association dues are to be paid on or before September 30th. Owners will receive an invoice for dues during the week following the Annual Meeting.
- **Walking Easements.** 10-foot walking easements along the banks of Vallecito, Boletus and Middle Creeks are available to POA members. Please be respectful of the property and privacy of the adjoining owners when utilizing the easements.
- **Fishing Easement.** A 10-foot fishing easement along the bank of Vallecito Creek is available to POA members. Please be respectful of the property and privacy of the adjoining owners when utilizing the easement. Catch and Release fishing practices are recommended to maintain the fishery. There are no fishing easements along the banks of Boletus and Middle Creeks.

The Board and ARC appreciate your review of and adherence to the CC&Rs and DRGs. If you have any questions, please contact us by email at board@vallecitovalley2.com or arc@vallecitovalley2.com.

ARC Report for September 5, 2020 Annual Meeting

(Lot information provided for Board review only)

Introduction:

Good Morning everyone. My name is Harold Retzliff and I am the Chair for the Architectural Review committee. The ARC also includes Marion Hutchison and Frank Stover. Ken Hedrick serves as an alternate.

Frank Stover will shortly be departing the ARC, so please join me in thanking him for his service. Frank, the ARC will miss you. Ken Hedrick will be stepping up as a voting ARC member and has received Board approval.

Improvements:

The ARC approved or were involved in fifteen (15) improvements during the extended fiscal period, July 2019 through August 2020. Generally, it was an easy year, as many of the improvements held over from last year and we except several new improvements to last through this forward fiscal period and likely into the next fiscal period.

1. There were several individual tree removal requests. In addition, Board Members approved also approved several requests for tree removal.

2. New Structure Improvements: Four (4) Dwelling related Improvements that were approved in previous years were either started or completed during the period including:

(Lot 133): A New Dwelling was completed, with extensions granted, to complete general cleanup as well as Driveway and Landscaping.

(Lot 139/140): Completion of New Construction Landscaping and Driveway Border.

(Lot 127): Completion of a Garage extension.

(Lot 125): Trees were removed and lot scrapped in preparation of new Dwelling Construction.

3. Driveway and RV Pad Construction; and RV Placement: Three (3) lots approved for Driveway and RV Pad Improvements, and placement of RVs.

(Lot 112, Lot 66 Lot 90)

4. Other Improvements: Three (3) other types of improvements were reviewed by the ARC

(Lot 71): Installation of a photovoltaic solar panel system.

(Lot 132): Approval of a large raised elevated planter, which is awaiting final placement.

(Lot 91/92): A bridge in the Middle Creek Walking Easement has been constructed.

5. The ARC is aware of nine (9) potential new dwellings that could be started in the next several years. This is based on Property Owner's statements of intent and subsequent follow-up discussions. Of this number, the ARC anticipates that four (4) to six (6) are likely in the near term (Estimate of five).

6. Potential Violations to Improvement Requirements: Additionally, The ARC has referred two (2) violations to the Board for review.

Pending and Anticipated Improvements in Short Term

Lot 112: New Dwelling construction inquiry / discussions with ARC.

Lot 141: Lot under contract: RV Pad and New Dwelling Construction inquiry / discussions with ARC.

Lot 125: New Dwelling Construction Inquiry / discussions with ARC.

Lot 99: New Dwelling Construction inquiry / discussions with ARC.

Anticipated Improvements in Longer Short Term (1 +Years)

Lot 119: RV Driveway, RV Pad construction and New Construction discussions with ARC.

Lot 90: New Dwelling Construction discussions with ARC

Potential Improvements in Near Term (2+ years)

Lot 101: New Dwelling Construction discussion with ARC.

Lot 66: New Dwelling Construction discussion and impact on RV placement with Property Owner

Lot 89: New Dwelling Construction intent statement by Property Owner

7. The ARC is also aware of many other improvements and maintenance projects such as decks, exterior painting and staining and screening of propane tanks and other projects that do not require ARC review.

The ARC sincerely commends those Property Owners for their efforts and attention.

VVII General Notes

Ownership Turnover:

More than one-half (54%) of Property Owners are new to VII over the last nine years, and in excess one third (37%) are new over the last several years.

This has significantly impacted the ARC as we have seen a lot of requests for improvements, approximately 40 to 50 over the last five (5) years.

It also brings up an issue of Property Owner's knowledge of governing documents. The ARC encourages Property Owner's to make improvements that they desire, but we also encourage Property Owners to understand the requirements laid out in the governing documents. The Board earlier noted the New Property Owner Checklist.

Property Values:

Property Tax values for **improved lots** in VII have increased over \$3M (\$3.2M) in the last two years mainly due to improvements (\$3.8M plus -\$0.6M Lot valuation). During this period three new Dwellings have been constructed.

Built Out Percentage:

Since 2011, the "Built Out" percentage of lots with dwellings, including consolidated and held lots, has increased from about 64% to 75%. Six (6) new dwellings were constructed during that time frame.

As I previously mentioned recent lot sales and intent to build statements from Property Owners, including numerous discussions with the ARC could result in nine (9) new dwellings. The ARC anticipates only four (4) to six (6) new dwellings in the near term year, which would increase the built out percentage to 82%. Including all the nine potential new dwellings where the new property owners have stated their intention to build will increase the Built Out percentage could increase to 87%.

So for the forward 10 year period since 2011, the Built-Out percentage could go from 64% to 87%.

ARC Alternates:

So with Ken stepping up to a voting member, the ARC needs a couple of property owners to step up as alternates. Knowledge and Willingness are beneficial skills, but anyone willing to serve will do. Please let me as well as one of the Board members know if you are interested.

Thank you for your time today

Vallecito Valley II Property Owners Association, Inc.

Balance Sheet

As of June 30, 2020

Accrual Basis

	<u>Jun 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking	29,331.33
Total Checking/Savings	<u>29,331.33</u>
Accounts Receivable	
Accounts Receivable	200.00
Total Accounts Receivable	<u>200.00</u>
Other Current Assets	
CD 12 months .5%	10,228.79
Prepaid Insurance	1,359.25
Prepaid Postage	37.50
Total Other Current Assets	<u>11,625.54</u>
Total Current Assets	<u>41,156.87</u>
TOTAL ASSETS	<u><u>41,156.87</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Prepaid POA Assessment Fees	200.00
Total Other Current Liabilities	<u>200.00</u>
Total Current Liabilities	200.00
Long Term Liabilities	
Reserve for CC&R Revision	5,040.00
Reserve for Mag CL on Roads	2,090.00
Reserve for Major Road Maint.	7,315.00
Total Long Term Liabilities	<u>14,445.00</u>
Total Liabilities	14,645.00
Equity	
Opening Balance Equity	19,056.62
Unrestricted Net Assets	7,410.47
Net Income	44.78
Total Equity	<u>26,511.87</u>
TOTAL LIABILITIES & EQUITY	<u><u>41,156.87</u></u>

Vallecito Valley II Property Owners Association, Inc.

Profit & Loss

July 2019 through June 2020

Accrual Basis

	<u>Jul '19 - Jun 20</u>
Ordinary Income/Expense	
Income	
Assessments @ \$200 per lot	15,800.00
Interest Income	346.88
	<hr/>
Total Income	16,146.88
	<hr/>
Gross Profit	16,146.88
	<hr/>
Expense	
Administrative Expenses	
General Liability Insurance	1,209.55
Postage and Delivery	108.05
Professional Fees	252.50
Revision of CC&Rs	1,750.00
State of Colorado	35.00
Website Maintenance	292.52
	<hr/>
Total Administrative Expenses	3,647.62
Association Picnic	204.48
Landscaping and Groundskeeping	
Common Area	1,550.00
	<hr/>
Total Landscaping and Groundskeeping	1,550.00
Mag Chloride Road Spray	2,500.00
Major Road Maintenance	4,500.00
Repairs and Maintenance	
Annual Road Maintenance	1,200.00
	<hr/>
Total Repairs and Maintenance	1,200.00
Snow Removal	2,500.00
	<hr/>
Total Expense	16,102.10
	<hr/>
Net Ordinary Income	44.78
	<hr/>
Net Income	44.78
	<hr/> <hr/>

2:18 PM

05/12/20

Accrual Basis

Vallecito Valley II Property Owners Association, Inc.
Profit & Loss Budget Overview
July 2020 through June 2021

	<u>Jul '20 - Jun 21</u>
Ordinary Income/Expense	
Income	
Assessments @ \$200 per lot	15,800.00
Interest Income	342.00
Total Income	<u>16,142.00</u>
Gross Profit	16,142.00
Expense	
Administrative Expenses	
General Liability Insurance	1,452.00
Office Supplies	50.00
Postage and Delivery	150.00
Printing and Reproduction	50.00
Professional Fees	1,200.00
Revision of CC&Rs	1,000.00
State of Colorado	30.00
Website Maintenance	260.00
Total Administrative Expenses	<u>4,192.00</u>
Association Picnic	150.00
Contingency	1,100.00
Landscaping and Groundskeeping	
Common Area	200.00
Total Landscaping and Groundskeeping	<u>200.00</u>
Mag Chloride Road Spray	2,500.00
Major Road Maintenance	4,500.00
Repairs and Maintenance	
Annual Road Maintenance	1,000.00
Total Repairs and Maintenance	<u>1,000.00</u>
Snow Removal	2,500.00
Total Expense	<u>16,142.00</u>
Net Ordinary Income	<u>0.00</u>
Net Income	<u><u>0.00</u></u>