

Comanche Creek Ranch Unit Owners Association, Inc. (CCROA)
2017 Annual Meeting Minutes
May 20, 2017 (Saturday) Scheduled for 10 am – 12 pm MDT
Elbert School Library

Meeting Start Time: 10:10 am MDT.

Roll Call: Sixteen (16) Owners were present along with three Board Members (Starley, Duffy, Collins).

Proof of Notice: Confirmed per the mailed and emailed notices and documentation packets.

Quorum: A quorum was present.

Members Present:

1. Briscoe
2. Collins
3. Driesbach
4. Duffy
5. Giles
6. Johnson
7. Kuehn/Starley
8. Pardue
9. Sinel
10. Smith (2 votes)
11. Spence
12. Tarnosky
13. Thomasson
14. Ensign
15. Wysocki
16. Hoy

Proxies Provided:

1. Nicholas Family Farms – Proxy provided to Mr. Eddy Sanders, who was not present, so this proxy could not be used.
2. Hensley – Proxy provided to Mr. Eddy Sanders. Also not used due to Mr. Sanders not being present.
3. Sanders – Proxy provided to Mr. Steve Wysocki.
4. Skowronek – Proxy provided to Mr. and Mrs. Don and Julia Sinel.
5. Akerberg – Proxy provided to Mr. and Mrs. Sinel.
6. Wendel – Proxy provided to Mr. Wysocki.
7. Smith (2 votes) provided to Mr. Robert Ostrander. However, Mr. Lanny Smith attended the meeting and the two proxies were not considered or used.

Discussion

Prior to Roll Call, Mr. Wysocki interrupted the order of business by making a motion for the meeting to be cancelled, because Mr. Eddy Sanders was not present. This motion was seconded by Mr. Randal Ensign.

Discussion ensued, and it was determined that Mr. Eddy Sanders had received proper notice of the Annual Meeting just as all other members had received proper notice. The decision not to be at the meeting was that of Mr. Sanders alone. The motion was not moved to a vote of the members present.

Of the proxies that were provided by Mr. Wysocki, three (3) of those proxies were called into question and invalidated as follows:

- Two (2) proxies were provided to Mr. Eddy Sanders who was not in attendance, thus invalidated.
- One (1) proxy was from Mr. Eddy Sanders to Mr. Wysocki. However, a question arose as to Proof of Ownership due to Eddy Eric Sanders and his father, Edward Eugene Sanders, having different first names and middle names, but matching initials. To that, Ms. Jean Pardue shared the results of recent Elbert County research she performed prior to the Annual Meeting to confirm Proof of Ownership for all Tracts. The results of this research prior to the Annual Meeting called into question ownership of the Sanders property (Tract 20).
- At this point, Ms. Collins stated that going forward, Proof of Ownership will be established by the Board prior to Special and Annual Meetings where official binding votes are to be taken.

Further discussion ensued among the Members in attendance. At 10:40 am MDT, President Collins asked for a temporary break in the meeting to allow Mr. Eddy Sanders to physically come to the meeting and provide an explanation or otherwise provide Proof of Ownership per By-Laws Article X, Miscellaneous, Section 1. Proof of Ownership. Mr. Eddy Sanders was at his store near the Elbert School location tending to Elbert Town events that were taking place on the same day as the Annual Meeting.

Mr. Ensign and Mr. Wysocki communicated with Mr. Eddy Sanders by phone. During this time, Mr. Eddy Sanders told them that he was looking for documentation and speaking with his attorney. Mr. Eddy Sanders requested that the Board look at a letter and court order regarding Tract 20 that he had provided to the Board the week before. The Board reviewed the letter, in which the Plaintiff in the subject case was noted as Edward E. Sanders. In the view of the Board, the letter/court order did not provide sufficient Proof of Ownership, because the name was the same as his father's and thus not conclusive evidence that "Eddy" Sanders is the Owner. It was reiterated that Eddy's name is Eddy Eric Sanders, so the middle initial and full spelling of the first name made confirmation impossible.

The Board Members met to discuss options to proceed with the meeting.

- 1) Rearrange the meeting schedule to accommodate allowing Mr. Eddy Sanders to provide ownership evidence.
- 2) Postpone the meeting with consideration of the five-month limitation on the scheduling of Annual Meetings and necessity of obtaining a vote by the Owners to amend the By-Laws for this particular meeting, and/or
- 3) Move forward with the meeting.

The Board unanimously decided to rearrange the schedule and move forward with the Annual Meeting and allow time for Mr. Eddy Sanders to be present to be able to use his proxies and to prove ownership.

As such the meeting was resumed and the meeting moved to the Officer's Reports starting with the President.

President Report: Cathie Collins

President Collins began her report describing nine (9) Operational Policies that need to be adopted by the Association. The Board has worked with Ms. Suzanne Leff, HOA counsel, to draft these Responsible Governance Policies to comply with state regulations for all HOAs regardless of type (e.g., acreage, agricultural, city, multi-family, etc.). A document that highlighted the purpose of each policy was handed out to each Member present. A meeting will be scheduled to give the Members an opportunity to review and discuss the policies prior to the Board voting to adopt them.

President Collins also discussed the need to complete an overall review of the Association's Governing Documents to ensure their compatibility with current law and Member desires. A preliminary quote for legal assistance with this process has been obtained from Association counsel that reflects a range of a basic review of \$800.00 to a comprehensive review with recommendations of \$4800.00.

Ms. Collins went on to discuss community issues such as communications amongst Members/neighbors and gossip, rumors, and recommendations on how to address such issues.

Looking forward, Ms. Collins described the responsibilities of the Board and the challenge for each Member of the Board is to be "a Board Member first and Member/Owner second." Meaning that it is the Board's responsibility at all times and regardless of their personal opinions/preferences to follow the Governing Documents of the Association in all matters. She passed out a document to all Members present describing the "Business Judgement Rule." This document is attached and made a part of the minutes herein. Cathie reiterated that the HOA Board must comply with state laws and the CCIOA and Colorado Non-Profit Act in addition to the CCROA By-Laws and Declaration or covenants.

Vice President Report: Dennis Duffy

Vice President Duffy noted that in his position he oversees volunteer efforts in the community. There are not currently any volunteer events scheduled, but he would anticipate as the summer goes on there would likely be a Mowing Day planned again this year. He discussed the efforts of Terri Duffy in working with the Elbert School to provide a meeting room for the CCROA at no expense to the Association. Mr. Duffy also shared that as a Board, the Members always try to utilize monetary resources responsibly and endeavor to be honest, transparent, and fair in all matters.

Mrs. Julia Sinel interjected to say that someone had called Elbert County to perhaps expose a Community Member. She also said that someone had been walking on their property without permission, presumably checking for possible covenant violations. Ms. Collins asked if these concerns could wait until later in the meeting, and Mrs. Sinel agreed.

Secretary / Treasurer Report: Kim Starley

1. 2016 Budget vs Actual

- a. Two Members paid 2nd half 2016 in 2017.
- b. Donation received of \$250.00 for road base – Wendel.
- c. Other Owners donated road base and paid the drivers directly.
- d. Website expenses were slightly higher than anticipated.
- e. Legal fees were somewhat lower than budgeted but carryover for invoices paid in 2017 are \$2005.00. The expenditure of legal fees was approved by Members via a non-binding, straw poll vote conducted at the December 10, 2016 Special Meeting.
- f. Added a category for Association Hauling \$1000.00 as the Class 6 road base was free and there was \$2700.00 in road improvements (e.g., road base or dirt-hauling). A significant amount of this total was carried over into 2017 as delivery was late in December 2016 and early 2017 for payment in 2017 (\$6525.00 YTD 2017).
- g. Road Grading was less than budgeted at \$2005.00.
- h. Snow Removal expense was under budget and the only expense for that activity was for the spring season of 2016. No external winter 2016 snow removal expense was incurred thanks to CCROA volunteers performing this task.
- i. Sign-replacement expense of \$432.00 was incurred because of vandalism of the West Entrance sign in 2016 and North Entrance sign in 2017.

2. 2016 Prior Year Comparison to 2015 Budget

- a. Total Expense 2015 was \$20,319.68 as compared to \$10,912.89 in 2016.
- b. The main reasons are that more money was available in 2015 and substantial Road Grading was accomplished. Also, much of the 2016 road expenses, such as road base-hauling, were paid in early 2017.

3. 2016 and YTD 2017 Actual Check Register

- a. Actual Checks were written and provided to the Members for review.

4. May 3, 2017 Balance Sheet

- a. Balance as of May 3, 2017.
- b. Have received a few more deposits since May 3rd Balance Sheet (\$900.00).

5. 2017 Proposed Budget for Approval

- a. Three Members have paid their 2017 dues in full.
- b. Annual Meeting Room Expense – Budgeted, but may not be needed thanks to Ms. Duffy coordinating the use of the Elbert School Library at no cost.
- c. \$3500.00 budgeted for legal fees – Anticipated uses include:
 1. Policies & Procedures
 2. Proposed covenant amendments, such as:
 - a. Equestrian easements and Owner liability.

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- b. Adding marijuana farm restrictions.
- c. Recommended language updates by HOA counsel.
- d. \$10,500.00 budgeted for:
 - 1. Road Repair \$3000.00
 - 2. Road Grading \$3000.00
 - 3. Snow Removal \$3650.00 (no spring 2017 snow-removal expense)
- e. Mowing \$400.00
- f. Added category for DORA (\$40/year)
- g. Added category for Secretary of State (SOS) (\$10/year)

A copy of the proposed budget was provided and was only changed at the meeting to delete a duplicate category for Secretary of State (SOS) annual fees of \$10.00. The 2017 Annual Budget will be amended to reflect that change. Some discussion followed along with a suggestion to combine the line entry regarding Road Repair and Maintenance.

No further questions were asked regarding the Secretary / Treasurer's Report.

Mr. Don Sinel spoke and said that the community's roads are the worst they've been in 19 years. He said that we are putting down dirt and he did not think it was working. He suggested that the dues be raised by 10% per the covenants (reference Article 4.02). Mrs. Sinel said that the roads wash away in a heavy rain or snow storm in front of their driveway. Mr. Sinel then suggested an annual dues increase by \$50 per six months equal to \$100 per year per Tract to help pay for better road material. Ms. Collins asked if perhaps this discussion could continue during the Road Committee Report.

Architectural Review Committee (ARC): Milt Johnson

Mr. Johnson reported that since the last Annual Meeting the ARC approved plans for the following structures / improvements:

- Tract 11 – Johnson's new covered porch
- Tract 9 – Briscoe's antenna (they have decided not to do the project)
- Tract 14 – Giles' Residence
- Tract 16 – Kuehn/Starley's new roof
- Tract 6 – Wendel fencing

For the period 12/10/2016 – 5/19/2017, the ARC approved plans for the following structures / improvements:

- Tract 9 – Briscoe's fencing
- Tract 10 – Thomasson's fencing
- Tract 6 – Wendel loafing sheds

Road Committee: Robert Ostrander

Chairman Ostrander began by thanking all those who spent their own time and resources helping the Road Committee with volunteer efforts in distributing the road base that had been acquired as well as snow-plowing. Special thanks to Mr. and Mrs. Jeff and Mary Briscoe and Martin Marietta for donating

the road-base materials, which are Class 6 material and estimated to be valued at \$20K. Since last July, we have brought in 60 loads, which is approximately 1600 tons of material.

Eight (8) loads were donated by Owners Johnson, Wendel, Pardue/Larose, and Thomasson.

The Road Committee plans to get a grader in by mid to late June 2017. The Committee is currently researching contractors. Grading estimates run about \$100.00 per hour at a cost of around \$2200.00. Grading will take out the washboards, but does not add more material. What our roads really need is a binder (crushed rock). County standards appear to be Class 6 road-base at a 6" depth to be effective. There was discussion about the Association acquiring a grader since there are numerous qualified operators in the community. Mr. Rod Hoy mentioned that he had just acquired a grader and would be interested in talking with the Association. Mrs. Gaye Thomasson that Dave Fuchs had done a good job for the Association in the past and should be called and given the opportunity to do the grading.

The Road Committee would like to meet by late June to complete new three-year Road Plan.

The Committee plans to pay some attention to collapsed culverts and some of the road signage in 2017. Specifically, the two Association entrance signs that were vandalized. One was cut down and stolen and the other was unbolted and ripped from the frame. New signs have been created and just need to be installed weather-permitting. Logs were donated by Mr. and Mrs. Milt and Jackie Johnson to install the new signs.

Mrs. Thomasson made a request that the Committee consider more speed limit signs.

It was noted by Mr. Sinel that the Association could consider increasing dues to pay for better materials and professional contractor(s).

Mr. Sinel also asked if people who are working on the roads are covered by the Association insurance? Robert offered to look into that.

A Special Meeting will be considered to discuss an increase in dues to pay for increased efforts on road repair and maintenance. The Board will consider scheduling a Special Meeting within the 2017 calendar year. Ms. Collins suggested that Mr. Sinel could obtain five (5) signatures of Owners and submit it to the Board to request a Special Meeting to discuss dues' increases for the purposes Mr. Sinel suggested.

This completed Officer and Committee Reports.

Ms. Collins asked that the budget be voted upon to put the new budget in place.

Mr. Sinel asked if the additional dues to support the roads be added to the budget before the vote. Ms. Collins indicated that because raising the dues was not on the original Agenda of the meeting, it could not be voted on today. However, she did suggest that a Special Meeting be called for Owners to discuss raising the dues and voting on that proposition in the future.

A motion was made by Mr. Robert Thomasson to accept the 2017 Proposed Budget and was seconded by Mr. David Larose. The motion was presented as a vote by the Members and passed with a vote of thirteen (13) Members in favor, which represented a majority of those present.

A break was taken to give Mr. Eddy Sanders more time to come to the meeting and deliver his ownership information, so that votes using the proxies that had been provided in his name could be used.

During the break, the Board met to decide on moving forward with the Agenda item of voting for the Association President position, which is a three-year term. The Board voted unanimously to move forward with the Agenda of voting for President. The Board determined that the two proxies for Mr. Eddy Sanders could not be used, because Mr. Sanders was not present. The Board decided to allow the Eddy Sanders' proxy provided to Mr. Wysocki; however it would only be allowed subject to Proof of Ownership within seven (7) calendar days of the Annual Meeting and that Mr. Eddy Sanders had ownership of Tract 20 as of this meeting date.

Mr. Wysocki again asked that the Board take into consideration postponing the vote since Mr. Eddy Sanders was not in attendance. After further discussion, Ms. Collins mentioned that the Board and members in attendance had been accommodating and patient awaiting a response or in-person attendance from Mr. Eddy Sanders. It was also noted that this accommodation would likely cause the meeting to run over by an additional two (2) hours.

Ms. Collins then read a section of the CCIOA stating the Board's obligations.

For clarity, the Board made a unanimous determination before the Members to move forward with the nominations and proceed with the vote for President as scheduled on the Agenda.

Having been provided a reasonable period of time, Mr. Eddy Sanders did not come to the meeting nor did he appear to indicate to Mr. Wysocki or Mr. Ensign that he intended to come, so the meeting resumed.

Ms. Karen Kuehn said that all of the Members present had made a commitment to be present and did not think it fair or necessary to wait and vote at another meeting.

The nominations for the President Board position were opened.

- A nomination for Ms. Collins was made by Ms. Kuehn and seconded by Mrs. Duffy.
- A nomination for Mr. Eddy Sanders was made by Mr. Wysocki and seconded by Mr. Ensign.
- A call for further nominations was made by Ms. Collins; no further nominations were made.

Ballots were passed out including the appropriate number of ballots to accommodate the proxies.

Mr. Milt Johnson and Mr. Robert Thomasson served as the volunteer ballot counters.

There were twenty-one (21) votes taken. Two (2) proxies made to Mr. Eddy Sanders were disallowed due Mr. Sanders not being in attendance, so those proxies were not included in the 21 votes.

The result of the ballot tabulation was:

- Mr. Eddy Sanders: Votes Received = 10.
- Ms. Collins: Votes Received = 11.

The vote was accepted as final and Ms. Collins was voted in as President for a three-year term.

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Mr. Johnson moved that the meeting be adjourned, and Mr. Duffy seconded the motion.

The meeting was adjourned at 1:37 pm.