

**Cedar Mesa Ranches HOA
Annual Meeting
March 5, 2005
Cortez Recreation Center
3:00 – 5:00 pm**

In attendance: Board Directors, Lisa Liljedahl, Jim Bignell, Nancy Schaufele, Steve Ludemann, Suzanne Duke, and Susan Bryson. See sign-in sheet (attached) for membership attendance.

Meeting called to order at 3:10 pm.

Introduction of current Board Directors and all members in attendance

Financial Report – Steve Ludemann
See attached report

Overview of Last Year (General) – Lisa Liljedahl

- Installation of gates at Fire Emergency road at the end of Road J.7 along with proper signage.
- Establishment of a covenant enforcement policy – 14 day covenant violation notices were sent out and the majority of lot owners are now in compliance.
- Liens were filed on properties for failure to pay dues/road assessment fees and the accounts receivable has been dramatically reduced.
- Annual weed spraying project was accomplished with some match money from the county.
- Development of CMR HOA website making resource information much more accessible. A big “Thank You” to volunteer and member, Nick Bird.
- New centralized mailboxes.
- New road signs
 - The posted speed limit signs (30 mph) have been stolen and replaced by 25 mph signs. This was not done by the Board. The county was contacted and a sheriff police report was filed.
- Guardrails installed on Road 35 (hill) and a small section of used guardrail installed on Road 36.7 where a vehicle rolled last winter.
- Ongoing road maintenance and improvements – considerable improvements with drainage, including bar ditches and new culverts. (Copies of the Bud Roach report were made available)

Overview of Last Year (Fire Prevention) – Susan Bryson

- Fire Mitigation Project – We applied for, and received, a small grant from the CO State Forest Service to complete some fire mitigation work last year. We were required to come up with a small cash match, which we did. The work involved:
 - Slash removal
 - Fire Break along Road 35 and the fire emergency road off K.1.
 - Assisting BLM in their proposed hydro-mulch project on federal land adjacent to Road 36.7.

- We have established a Fire Prevention Committee currently consisting of Cindy Swan, Jim Bignell, Nancy Schaufele and Susan Bryson. If you are interested in participating on this committee, please let one of us know.
- Cindy Swan and Susan Bryson have agreed to be “Co-Neighborhood Ambassadors” for Firewise Council (national organization) of SW Colorado. As such, we have agreed to:
 - Be the subdivision contact for fire prevention and education.
 - Attend Firewise workshops and trainings.
 - Establish an e-mail tree through which residents in the subdivision will receive updated fire prevention information (our website is currently functioning in this capacity).
 - Assemble contact information for possible evacuation.
 - Gather information on residents with special needs should they need assistance in the event of a fire.
 - Provide information on homes that have animals who may need evacuation or rescuing.
 - Ensure street signs and addresses are readable.
 - Work with local fire department to ensure we have proper evacuation procedures in place.
 - Plan some type of educational campaign or event during the annual April Wildfire Prevention and Education Month.
 - § We will be hosting a meeting on **Saturday, April 23rd from 9:00 - 11:00 am** at the fire substation to discuss a comprehensive fire evacuation plan and hear from Dave Cluff, Montezuma County Fire Prevention Officer. We hope to serve free morning pastries and coffee. Everyone is invited.

Overview of Last Year (Litigation & Misc.) – Jim Bignell

- (NOTE: The following is a more comprehensive update not necessarily discussed in complete detail at the meeting).
 - The lot owner of #107 requested approval to concrete the cul-de-sac at the end of Road 35.
 - The Board discussed this request and denied it on the following grounds:
 - § Concrete/asphalt would create drainage issues/problems
 - § Ongoing maintenance concerns
 - § Adjacent lot owners did not want the cul-de-sac paved
 - The lot owner disagreed with the Board’s decision and threatened to pave the cul-de-sac within 48 hours if we did nothing to stop him.
 - The Board filed an Injunction ordering the lot owner not to pave the road.
 - The lot owner filed a counter-claim naming the Board Directors individually and alleging we misappropriated the HOA funds along with some additional allegations.

The HOA insurance company paid for the Board’s defense of the counter-claim. The HOA paid for the attorney to pursue the Injunction prohibiting the paving.

- The court ordered mediation

- The Board determined it had a fiduciary duty to settle the claim and stop incurring legal fees. The Board and its counsel believed we would prevail in a court of law but it certainly wasn't in the best interest of the HOA to continue with the litigation.
- Insurance company paid the lot owner \$4,000 to drop his counter-claim and indicated the decision to pay was based upon the future cost of litigation and not culpability.

The settlement agreement allows the lot owner to pave up the center of the cul-de-sac as long as it is properly engineered and approved by the Board. The Settlement also requires the Board to allow the lot owner to sit on the covenant committee to revise the covenants and bylaws.

- This same lot owner successfully obtained a Quit Claim Deed for his newly formed organization, Cedar Mesa Ranches Lot Owners Association, from Redstone Development for ownership of the roads. A quit claim deed only transfers the rights of Redstone (if they had any) to the new organization. There is a dispute as to whether or not Redstone owned anything to convey in the first place. The Board continues to assert that the HOA is responsible for the maintenance of our roads.
- The Bylaws allow the Board to “assess” a fee of up to \$25 without membership approval. This year the Board assessed an additional fee of \$25 and the membership dues have gone from \$150 to \$175. The incoming Board will be amending the governing documents and the membership will be asked to vote on an increase in future dues.

Questions & Answers or Comments – All

1. There is quite a bit of ambiguity in the governing documents. In fact the Bylaws give the Board quite a bit of power to change most things with some exceptions. Jim Bignell, however, expressed that the membership should have the right to vote of any changes.
2. Recommend that the newly elected Board take into account a long term fix for the roads and not just a quick fix.
3. There was a suggestion for a one time Membership donation for the repair of our roads.
4. Lisa and Jim pulled out the Bud Roach report and suggested that everyone re-visit the content of this report. It is a comprehensive report, prepared by a licensed engineer, outlining the strategy and plan for the repair of our roads. The Board has been following this report and has only deviated in emergency situations when culverts and bar ditches needed work. The Board has completed Phase I of the recommended work. The next phase calls for more base and finish gravel.
5. Three of our roads (leading to tracts) were simply “roughed-in” and were never finished. The roads need to be finished.
6. The cost of gravel increases at least 10% annually.
7. Website needs additional attention. The Board mentioned that our webmaster is currently a volunteer with limited time. If we want to speed more energy on the website we may need to pay a professional to maintain it.

8. Velocity. net (high speed internet) is available for owners in this subdivision. You need to have direct sight. Call David Nigteagle if you are interested and he will give you the information.
9. All Board meetings should be open and held in a public place.
10. Strong suggestion that we incorporate all people who ran for office, even if they were not elected to the Board.
11. Committees are essential to the success of this Board. Please volunteer for committee work.
12. An absentee lot owner offered that he purchased his lot in this subdivision because of our covenants and is concerned that we are looking to change them without membership support or buy-in. All members are encouraged to put their suggestions and concerns in writing for review by the newly elected Board.
13. Concerns were expressed about being an absentee lot owner and required to pay the same dues and assessment fees as the people who live here.
14. If you own property in this subdivision, regardless of whether you own a home or not, your property value is increased as the roads are improved.
15. Concern was expressed that the new Board will impose a construction impact fee on all new building (now that their home is built). The current Board quickly responded by saying that if something like this was contemplated it would be made retroactive to ALL building.
16. Special thanks to Nancy Schaufele for three years of dedicated service to the CMR HOA Board of Directors
17. One lot owner offered her appreciation for the Board's great work and suggested they have been great caretakers of the subdivision.

Voting Results Announced – Susan Bryson

We had responses from 96 (out of 139) lot owners. The result of this year's election is as follows:

- Torin Andrews 29
- Jim Bignell 76
- Gary Brodhagen 84
- Robert Hoy 29
- Bryan Johnson 72
- Greg Kemp 70
- John Lyren 67
- Sean McCall 74
- David Nigteagle 31
- Chris Schaufele 74
- Chuck Wiesel 33

NEW SLATE OF DIRECTORS:

1. **Gary Brodhagen**
2. **Jim Bignell**
3. **Chris Schaufele**
4. **Bryan Johnson**
5. **Greg Kemp**
6. **Sean McCall**
7. **John Lyren**

There was a round of applause for those candidates that won. Gary Broadhagen offered that we have a couple of big agenda items in the coming months and that involves the ongoing road maintenance issues, governing documents and membership dues. Gary also hoped that we wouldn't have any further litigation to worry about. Jim Bignell concurred.

The next meeting with the new Board of Directors will be scheduled as soon as feasible.

Meeting adjourned at 4:05 pm.

Respectfully submitted,

Susan K. Bryson
Secretary, CMR HOA Board of Directors