

**MEADOW LAKES MOUNTAIN ESTATES PROPERTY OWNERS ASSOCIATION
ANNUAL MEETING JULY 26, 2014
MINUTES – DRAFT**

MEETING MATERIALS HAND DELIVERED BY THE SECRETARY OR MAILED VIA USPS TO THE MEMBERSHIP:

- Agenda for 2014 annual meeting
- Proxy
- Absentee ballot
- Minutes from 2013 annual meeting - draft

MATERIALS E-MAILED TO THE MEMBERSHIP SEVERAL DAYS BEFORE THE MEETING:

- Newly adopted Collections Policy
- 2012-2013 financial statement
- 2013-2014 proposed budget

CALL TO ORDER: The meeting was called to order by Toby Dunn, President, at 1:09 pm. Twenty eight members were present in person or by proxy, constituting a quorum.

Toby introduced new members John and Alex (Di Anna) O'Brien (lot 7), Chris and Nell Galyean (lot 39), and Kim Brenner of Habitat for Humanity (new owner of lots 45 and 47). Ted Osowski later noted that Jacob and Laura Bryan are leasing the Bryan property (lot 36).

RECOGNITION: Phyllis Ary, retiring board member, for 6 years of service, one year as treasurer & Rob Wimmer, for work on Water plan. Dan Daly thanked all those who helped with the roads as volunteers: Ted Osowski, Milo Johnson, Jacob Bryan & others.

HABITAT FOR HUMANITY: Kim Brenner spoke about the two lots donated to Habitat for Humanity, saying that their board could decide to build houses consistent with their charter but may request a waiver on the Covenant restriction on the 1400 square foot minimum.

MINUTES The minutes of the 2013 meeting were approved on a motion by Rob Wimmer and a second by Leonard Smith with none opposed. Milo Johnson requested that individual names appear in future minutes instead of "a member". Alex O'Brien suggested that we create a booklet with member information and interests.

BUILDING COMMITTEE Dan Daly presented the Building Committee report and provided a handout listing seven projects approved since the last annual meeting, most of which have been completed. The Committee is seeking an Alternate member. Jamie Page & Rebecca Hitchcock also serve on the Building committee.

Meadow Lakes Mountain Estates Property Owners Association

Building Committee- 2013-2014 Annual Report- July 26, 2014

The Building Committee approved seven improvement applications received this year.

Last August the Goubeauxs (Lot 9) received approval to replace their roof shingles. The work has been completed.

In November Betty Massey (Lot 33) received approval for replacing roofing shingles and metal rain gutters on her home. The project has been completed.

In December the Jewells' (Lot 26) request to repair and replace deck framing, decking, and deck railing was approved.

In April, the Committee approved the following improvement applications:

The O'Briens (Lot 7) applied to install two solar panel arrays on their property. The work has been completed.

The Feuersteins (Lot 2) requested approval to construct a detached storage shed. The shed is in place and is currently being painted.

The Dunns (Lot 27) sought approval to install a concrete parking pad/apron outside the garage. The work has been completed.

The Eccles (Lot 15) applied to install a (mostly) underground water storage tank to provide for watering outside plants and vegetation. This application was approved with the agreement that the tank cannot be filled using Eccles' well water. Rather, the tank must be supplied by trucking water in from outside MLME. The work has been completed.

The Committee currently has one improvement application pending and we anticipate receiving a couple more before the summer is over.

Respectfully submitted,

Dan Daly, Chair

Jamie Page, Member

Rebecca Hitchcock, Member

ROADS Toby Dunn presented the Road report in Larry Shalett's absence and provided a handout (inserted) indicating that a heavy snow season resulted in expense above budget. Summer maintenance expense was below budget. Toby thanked Larry and Mike Wilder for providing liaison with the contractor. Rob Wimmer requested that Twin Kopie be plowed to its northern end as a regular practice. The Board has agreed. Nell Galyean said that the southern part of Morrison Creek Circle has not been well maintained. Milo Johnson pointed out that the snow plowing had not moved the snow far enough off the road, resulting in severe rutting in that area.

<u>Road Report</u>	<u>2013-2014 Season</u>
Snow Plowing	A total of \$7532.50 has been spent on snow plowing over the season which began in November of last year. Roughly half of the amount spent occurred in November & December during very heavy snowfalls, which required heavy equipment to clear. This snow season would be considered average or a bit above average. Without the need for heavy equipment to clear 18" plus snow events, we could have expected a surplus in our snow budget.
Maintainance	We spent \$4845.00 in the past fiscal year for general maintenance, including ditches, swales, culverts, limited grading & road base added to some low areas prone to pooling & mudding. The combined road expenditures resulted in an overage of \$377.50.

Thanks to the many residents (you know who you are!) who have helped out with their time & equipment to assist with snow removal, grading & dragging our roads. Without our own truck for plowing & maintenance, your services are more necessary and appreciated than ever.

Please feel free to contact Larry Shalett tel 719 395 2171 with any questions, comments, requests, etc. concerning our roads.

Fire Marshall Report 2013-2014 Season

Gratefully, we have not had any fire incidents within our community this year. Residents are reminded there is NO open burning or fireworks permitted at any time. Property inspections by local fire authorities for advice on mitigation may be arranged.

Reflective address signs may also be purchased through Chaffee County Fire Dept. Please contact Larry Shalett to coordinate these requests.

Last year, the Forest Service personnel announced that Wildfire mitigation work would begin in the Forest along a North-South line approx. 300 yards west of our subdivision. Due to Fire management priorities we are advised to expect this to now begin next year.

We have been advised that MLME is not a good candidate for the Stephenson Grant, which provides communities with funds for Wildfire Mitigation. These are very competitive programs and other subdivisions have more urgent needs of these funds.

Respectfully submitted,

Larry Shalett
July 24, 2014

SIGNAGE A road sign near Highway 24 stating subdivision speed limit & disclaimer is missing. Follow up: It will be replaced.

WAUPACA RESERVOIR There was no written report but Dan Daly presented a summary. The committee has contacted a water attorney for advice. Engineering plans to manage the water level independently by MLME are on hold. We are in compliance with state regulations, but need to install a new staff gauge after the last attempt failed to survive the ice. Questions remain on the authority of the Board to manage the reservoir and control the outflow apart from MLME acting as Trustee of the Water Decree. We are recording the seasonal flow in McFadden Creek, which has been sufficient to maintain the 0.05 cfs requirement for our well permits. Rob Wimmer questioned the need for the gate and fence at the southern end of Waupaca. Milo Johnson stated that the survey of lot 50 indicates that the land north of the gate and the access road to the dam are private property with a recorded easement for MLME access and Milo Believes that a written record exists in MLME files of an agreement with the owner of lot 50 (Huntze) to control access for ATV traffic by installing the gate and fence. There was a related discussion about the lack of a Recreation Agreement with MVR and relations with a potential future owner of the ranch. Toby Dunn suggested the possibility of MLME and neighbors buying the ranch.

FINANCIAL REVIEW Toby Dunn gave a summary of the written handout. Leonard Smith insisted that the neighbors, especially Bugling Bulls, should be paying the same as MLME lot owners for road maintenance. The Board will review this. MVR did not pay its dues as a

member of MLME. There was extended discussion on the condition of the roads and what to do about it. The proposed budget has a \$2600 increase over last year's actual. Alex O'Brien questioned whether we could increase the dues immediately by \$50 to provide additional road maintenance. She then made this motion, which was seconded by Leonard Smith. Milo Johnson advised against this because there is a 50% reserve in the budget, some of which could be used for roads. John O'Brien said that we have built a surplus by deferring required maintenance and by the sale of the truck. Jay Boak advised that HOAs need to have substantial reserves for unforeseeable situations. Upon a roll call vote, the motion passed 22 to 9. The proposed budget was thereby adopted with a road maintenance item of \$7500. 2014-2015 Budget is attached separately.

Follow-up: Bills for increased dues should go out to all POA members as soon as possible.

**MEADOW LAKES MOUNTAIN ESTATES PROPERTY OWNERS ASSOCIATION
ANNUAL MEETING JULY 26, 2014
MINUTES – DRAFT**

2013-2014 Financial Statement: Results of Operations

Description 6-30-14	Budget	Other	YTD Actual	Anticipated 6-30-14
Waupaca Reservoir:				
Resources:				
On-Going:				
Operating Fund	\$2,040.00	\$2,040.00	-	\$2,040.00
Subtotal	\$2,040.00	\$2,040.00	-	-
One-Time:				
Budget for Installing Agri- Drain	-	-	-	-
Surplus Carry-Over	\$4,204.24	\$4,204.24	-	-
Subtotal	\$4,204.24	\$4,204.24	-	-
Total	\$6,244.24	\$6,244.24	-	-
Expenses:				
On-Going:				
Operating Fund	-	\$14.99	-	-
Subtotal	-	\$14.99	-	-
One-Time:				
Agri-Drain Installation	\$2,716.25	-	-	\$2,716.25
Subtotal	-	\$2,716.25	-	-
Total	-	\$2,731.24	-	-
Surplus (Deficit)	\$6,244.24	\$3,513.00	-	-
General Operations:				
Resources:				
On-Going:				
Annual Fees	\$20,757.00	\$20,310.00	\$20,310.00	\$20,310.00
Bugling Bull Fees	\$440.00	\$440.00	\$440.00	\$440.00
Palpant/Wise/Osows ki Fees	\$693.00	\$693.00	\$693.00	\$693.00
Interest	\$15.00	\$21.89	\$21.89	\$21.89
Subtotal	\$21,905.00	\$21,464.89	-	\$21,464.89
One-Time:				
None	-	-	-	-
None	-	-	-	-
None	-	-	-	-
Surplus Carry-Over	\$7,427.95	\$7,427.95	\$7,427.95	\$7,427.95
Subtotal	\$7,427.95	\$7,427.95	-	-
Total	\$29,332.95	\$28,892.84	-	-
Expenses:				
On-Going:				
Insurance - General Liability	\$2,040.00	\$2,079.00	\$2,079.00	\$2,079.00
Legal	\$500.00	-	-	-
Miscellaneous	\$150.00	\$179.29	\$100.00	\$279.29
Office	\$700.00	\$476.65	\$140.00	\$616.65
Operating Agreement with MVR	-	-	-	-
Fish Stocking & Water Share Purchase	\$500.00	\$475.60	-	\$475.60
Trash	\$3,600.00	\$3,573.55	-	\$3,573.55
Roads - Maintenance & Grading	\$7,000.00	\$4,845.00	-	\$4,845.00
Roads - Snow Plowing	\$5,000.00	\$7,532.50	\$7,532.50	\$7,532.50
Subtotal	\$19,490.00	\$19,161.59	\$240.00	\$19,401.59
One-Time:				
None	-	-	-	-
None	-	-	-	-
Prior Year Deficit	-	-	-	-
Subtotal	-	-	-	-
Total	\$19,490.00	\$19,161.59	\$240.00	\$19,401.59
Surplus (Deficit)	\$9,842.95	\$9,731.25	(\$240.00)	\$9,491.25

2014-2015 Proposed Budget

Anticipated 6-30-14	Over (Under) Budget	Description Proposed Budget	Annual Meeting
Waupaca Reservoir			
Resources:			
On-Going:			
\$2,040.00	[1]	Annual Dues - Operating Fund	\$2,040.00
\$2,040.00	\$2,040.00	Subtotal	\$2,040.00
One-Time:			
-	None	-	-
\$4,204.24	-	Ongoing compliance	\$3,513.00
\$4,204.24	-	Subtotal	\$3,513.00
\$6,244.24	\$2,040.00	Total	\$5,553.00
Expenses:			
On-Going:			
\$14.99	\$14.99	Operating Fund	\$2,040.00
\$14.99	\$14.99	Subtotal	\$2,040.00
One-Time:			
\$2,716.25	\$2,716.25	Ongoing compliance	\$3,513.00
\$2,716.25	\$2,716.25	Subtotal	\$3,513.00
\$2,731.24	\$2,731.24	Total	\$5,553.00
\$3,513.00	(\$691.24)	Surplus (Deficit)	-
General Operations:			
Resources:			
On-Going:			
(\$447.00)	[1]	Annual Fees	\$23,307.00
-	[1]	Bugling Bull Fees	\$600.00
-	[1]	Palpant/Wise/Osows ki Fees	\$813.00
\$6.89	-	Interest	\$20.00
\$21,464.89	(\$440.11)	Subtotal	\$24,740.00
One-Time:			
-	-	None	-
-	-	None	-
-	-	None	-
-	-	None	-
\$7,427.95	-	Surplus Carry-Over	\$9,491.25
\$7,427.95	-	Subtotal	\$9,491.25
\$28,892.84	(\$440.11)	Total	\$34,231.25
Expenses:			
On-Going:			
\$39.00	-	Insurance - General Liability	\$2,040.00
(\$500.00)	-	Legal	\$500.00
\$129.29	\$129.29	Miscellaneous	\$150.00
(\$83.35)	[2]	Office	\$700.00
-	[3]	Operating Agreement with MVR	-
\$475.60	(\$24.40)	Fish Stocking & Water Share Purchase	\$500.00
\$3,573.55	(\$26.45)	Trash	\$4,200.00
\$4,845.00	(\$2,155.00)	Roads - Maintenance & Grading	\$9,550.00
\$2,532.50	(\$88.41)	Roads - Snow Plowing	\$6,500.00
\$19,401.59	(\$88.41)	Subtotal	\$24,140.00
One-Time:			
-	-	None	-
-	-	None	-
-	-	Prior Year Deficit	-
-	-	Subtotal	-
\$19,401.59	(\$88.41)	Total	\$24,140.00
\$9,491.25	(\$88.41)	Surplus (Deficit)	\$10,091.25

[1] Fees:
Member dues \$447.00 (less \$40 x 51 lot owners for Waupaca Acct = \$2040.00) +new road assessment increase of \$50/ 51 lot owners= \$23,307.00

Bugling Bull dues \$110.00 x 4 = \$440.00 increased to \$150.00 for 2014-2015 FY

Wise/Palpant/Osowski dues \$231.00 x 3 = \$693.00 increased to \$271.00 for 2014-2015 FY

Waupaca Reserve Account \$40.00 x 51 lot owners = \$2040.00

[2] Extra office expenses: 3 years web hosting \$281.62

[3] \$1900.00 - There is currently no Operational Agreement with Mountain View Ranch

COLLECTIONS POLICY This document was distributed by e-mail on July 23 & uploaded to the MLMEPOA website. It was adopted by the Board in compliance with state law requiring a written policy beyond what we have in the By-Laws. Dan Daly described the requirement and the new policy, inserted:

**RESOLUTION OF
MEADOW LAKES MOUNTAIN ESTATES PROPERTY OWNERS ASSOCIATION, INC.
REGARDING
POLICY AND PROCEDURES FOR COLLECTION OF UNPAID ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure regarding the collection of unpaid assessments.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

AUTHORITY: The Articles of Incorporation and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: June 22, 2014

RESOLUTION: The Association hereby adopts and gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

Due Dates. The annual assessment as determined by the Association shall be due and payable on the 1st day of July of each year. The due dates of any special assessments shall be established by the Board of Directors. Assessments or other charges not paid in full to the Association within 30 calendar days of the due date shall be considered past due and delinquent.

Receipt Date. The Association shall post payments on the day that the payment is received by the Association's treasurer.

Late Charges on Delinquent Installments. The Association shall impose interest from the due date at 21% per annum for each Owner of a lot who fails to timely pay his/her annual or special assessment within 30 calendar days of the due date. This interest expense shall be a "common expense" for each delinquent Owner.

Personal Obligation for Late Charges. The interest expense shall be the personal obligation of the Owner of the lot for which such assessment or installment is unpaid. All interest expenses shall be due and payable immediately, without notice, in the same manner as payment of assessments.

Return Check Charges. In addition to any and all charges imposed under Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed \$20.00, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner of the lot for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above.

Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.

Payment Plan. Any Owner who is or becomes delinquent in payment of any assessment may enter into a payment plan with the Association, which plan shall be for a minimum term of 6 months or such other term as may be approved by the Board of Directors. Such payment plan shall be offered to each owner prior to the Association referring any account for collection action. In the event the Owner defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the association, the Association may, without additional notice, refer the delinquent account for collection action or may take such other action as it deems appropriate in relation to the delinquency.

Attorney Fees on Delinquent Accounts. As an additional expense permitted under by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

Application of Payments. All sums collected on a delinquent account shall be remitted to the Association until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

Collection Process.

(a) If an assessment or other charge due to the Association is not paid within 30 calendar days of the due date, the Association shall send a written notice ("First Letter of Notification") of non-payment, amount past due, notice that interest expenses have accrued and request for immediate payment. The Association's notice, at a minimum shall including the following:

- (i) The name of the Owner of the property and a description of the property.
- (ii) The total amount due to the Association along with an accounting of how the total amount was determined.
- (iii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
- (iv) That the Owner has a right to an open hearing before the Board of Directors, if requested in writing within 30 calendar days of the postmark of the Letter of Notification. The time, date, and place for such hearing shall be set by the Board of

Directors but shall not be sooner than 45 calendar days from the postmark of the Letter of Notification.

- (v) A name and contact information for an individual the owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.
- (vi) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the owners right to vote.

- (b) If the Owner does not request an open hearing before the Board of Directors within 30 calendar days of the postmark of the First Letter of Notification, or after the Board of Directors has held the requested hearing and the account remains delinquent, the Association shall send a second written notice ("Second Letter of Notification") of non-payment, amount past due, notice that interest has accrued, notice of intent to file a lien and request for immediate payment.
- (c) If an assessment or other charges due to the Association remains delinquent for 30 calendar days after the postmark of the Second Letter of Notification the Association may file a lien or take such other collection action as deemed necessary by the Board of Directors. If a lawsuit is filed and a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.
- (d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

1. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date	
Annual Assessment	July 1 of each year
Special Assessment	As set by Board
Past Due Date	31 calendar days after Due Date

First Letter of Notification (notice that interest has accrued, required disclosures of the Association, the availability of a payment plan, availability of open hearing, etc.)	Any time after 30 Calendar days after Due Date
Open hearing (if requested)	No sooner than 45 days after First Letter of Notification
Second Letter of Notification (notice that late charges and interest have accrued, notice of intent to file lien)	Any time after 30 days after First Letter of Notification (if no hearing requested) or after open hearing. Delinquent account subject to collection action/lien.

Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

Amendment. This Policy may be amended from time to time by the Board of Directors.

IN WITNESS, the undersigned certifies that this Resolution was adopted by the Board of Directors of the Association on June 22, 2014.

MEADOW LAKES MOUNTAIN ESTATES PROPERTY OWNERS ASSOCIATION, INC.,

a Colorado nonprofit corporation,

By: _____

Its: President

TRASH PICK UP Toby Dunn proposed that we have an additional pickup through the end of September, which was agreed upon.

WELL METER READINGS Toby Dunn reminded all of the necessity to report individual readings when requested.

ELECTION OF BOARD MEMBERS John O'Brien has offered to run to replace Phyllis Ary, whose term is expiring. Toby Dunn offered to run for a second term. There were no nominations from the floor. A motion from Hugh Eccles, seconded by Dan Daly, to accept these two candidates by acclamation was accepted.

ITEMS FROM MEMBERSHIP Milo Johnson pointed out that state law requires that board meetings be announced to members with a week's notice, since this is not now being done. Rob Wimmer recommended hiring an Administrator to replace the previous one. Discussion did not lead to agreement to do so. The Board will review a state database as a resource to keep informed of new state requirements affecting MLME. Ted Osowski mentioned that the Forest Service is clearing trees along the forest boundary with his property to create a fire break. Rob Wimmer questioned whether the Board would pursue including holders of well permits granted under our Water Decree but outside the subdivision in the \$40 "well tax" now imposed on the subdivision. Dan Daly stated that this is under review by the water attorney and that communication with the attorney for now is privileged.

DATE FOR THE 2015 ANNUAL MEETING July 25 was chosen over August 1 as the date for the 2015 meeting.

The meeting was adjourned around 4 pm.

Molly Heynis (with notes by Milo Johnson, Phyllis Ary & Linda Bremmer)

MLMEPOA Secretary

Nov.14, 2014