

**Cedar Mesa Ranches HOA  
Board of Directors Meeting  
January 5, 2004  
Schaufele Residence**

**In attendance:** Nancy Schaufele, Lisa Liljedahl, Terri Montoya, Susan Bryson, Steve Ludemann, Terry Micheal & Michelle Micheal.

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**Meeting called to order at 7:12 pm.**

Susan reminded the Board that during our November 2003 meeting we had decided to devote the entire December meeting to "ROADS." In light of the fact that we did not have a December meeting the Board decided to make our February meeting all about "ROADS."

**Approval of November Minutes:** Susan made a motion to approve the minutes as written. Lisa seconded the motion. Motion passed.

**Financial Report:** Steve reported that we are still looking at about \$7,500 in accounts receivable. All of us are concerned about the process for collecting what is owed and Nancy indicated that she would speak with attorney Pat James about helping us draft a letter. We are entitled to receive the uncollected amount plus interest and costs should we need to file a lien. Steve also reminded us that the HOA annual dues are due on May 1, 2004.

Steve handed out a copy of the year-end Financial Report (see attached).

Steve also passed out a "draft" budget for 2004 and indicated that at least we'll have a place to start talking. We agreed that "legal" should be increased to \$1,000, "insurance" bumped to \$1,100 and weed control doubled to \$1,500. Lisa made a motion to approve the budget for 2004 as outlined below. Terri seconded the motion. Motion passed.

• **Revenue:**

○ Cash	\$18,602.51
○ Accounts Receivable	7,455.00
○ Dues (2004)	<u>\$20,850.00</u>

**TOTAL      \$46,907.51**

• **Expense:**

○ Road Maintenance	\$25,000.00
○ Shed/Mailboxes	2,000.00
○ Signs	0

○ Snow Removal	5,000.00
○ Insurance	1,100.00
○ Weed Control	1,500.00
○ Office Supplies	500.00
○ CPA/Tax preparation	300.00
○ Legal Fees	1,000.00
○ Social	300.00
○ Misc/Acct. Rec.	4,207.51
○ Carryover to 2005	<u>6,000.00</u>
<b>TOTAL</b>	<b>\$46,907.51</b>

**Road Committee:** The Directors discussed the "hill" and some concerns expressed by lot owners. One solution to safety concerns is guardrails. The Directors agreed to devote the entire February meeting to "Roads" because of the definite impact on annual dues. The goal of this meeting will be to "vision" about the entire road issue and the future of our HOA roads. It was also agreed that "Roads" are one of the hottest and most expensive issues we face. **Lisa agreed to lead the next meeting since she sits on the Road Committee. The February meeting will not occur on the first Monday of the month. Instead we have postponed the meeting to Monday, February 9<sup>th</sup> from 7:00 pm - ? at Steve Ludemann's home.**

**Mailboxes:** Terri mentioned that she was denied a key to the centralized box. Nancy said that the post office never responded to our last letter and the ball is in their court with respect to additional mailboxes for each lot. Additionally, we advised Terri on how to secure a key. It was also mentioned that home delivery on lots 1-52 has resumed.

**Covenant/Design Review Board Committee:** Terri prepared a simple one page sheet listing the Design Board Requirements. This sheet is being distributed to lot owners who are planning to build as an aid to assist them in compliance with our covenants. Susan made a motion approving the use of this "Design Review Board Requirement" sheet. Terry seconded the motion. Motion passed.

Terri recently wrote a letter to five lot owners (#60, #72, #93, #105, & #106) who were starting construction and provided them with the Requirements as listed on the summary sheet. Several lot owners failed to comply with the Design Review Board's requirement to submit drawings. Nancy made a motion authorizing Terri to follow-up with a letter to each non-complying lot owner. Lisa seconded the motion. Motion passed.

Terri distributed the information she received from the owner of Tract M. She recommended we approve the drawings as submitted. Susan made a motion

advising Terri to approve the drawings as submitted. Lisa seconded the motion. Motion passed.

**Landscape Committee:** Nancy recommended we establish a Landscape Committee this spring with the goal of beautifying the front entrance to the subdivision. The entire board was supportive of this effort and the issue will be revisited at a later date.

**Electronic Copies of Bylaws & Articles of Incorporation:** Steve agreed to scan the documents and Terry agreed to proof read. We will be able to maintain electronic copies should any lot owner request them.

**Fire Committee Meeting:** For all those interested in participating on the Fire Committee we will be meeting at noon on Friday, February 27<sup>th</sup> at the Bryson/Liljedahl residence. For more information contact Susan at 565.6201. Our agenda will include issues such as evacuation plans, locations of fire hydrants and mitigation efforts.

**Public Land Access:** The access to public land in this subdivision is an easement between lots 94 & 95. Terri would like to see some signage and future discussion about public access.

**Annual Meeting:** The bylaws state that we are to have our Annual Meeting on the first Thursday of March. This year the meeting will be held on March 4<sup>th</sup> at 7:00 pm. The location has not been determined; however, Nancy agreed to check out a couple of possibilities.

**Proposed Slate of Officers and Directors in 2004:** The Board agreed that we are very willing and interested to have new members serve on this board. Nevertheless, in the absence of potential new Board Directors, it is this Board's suggestion to recommend the following slate:

- President Terry Micheal
- Vice-President Lisa Liljedahl
- Treasurer Steve Ludemann
- Secretary Susan Bryson
- At Large Nancy Schaufele
- At Large Terri Montoya

**By copy of these minutes to our membership, we are respectfully requesting their suggested names for nomination at the upcoming Annual Meeting.**

**Meeting Adjourned at 8:35 pm.**

  
Respectfully submitted

Susan Bryson, Secretary CMR HOA

**Cedar Mesa Ranches Financial Report to BOD  
31-Dec-03**

**Accounts Receivable**

2003 Dues	\$1,905.00
Road assessment	\$5,550.00
<u>Total</u>	<u>\$7,455.00</u>

**Accounts Payable**

<u>Total</u>	<u>\$0.00</u>
<u>Total</u>	<u>\$0.00</u>

**Cash on Hand**

\$18,602.51

**CY 2003 Budget Status**

Item	Budgeted amount	Spent to date
Road Maintenance	\$50,000.00	\$51,210.00
Shed/mail boxes	\$3,000.00	\$2,481.15
Signs	\$400.00	\$0.00
Snow removal	\$5,000.00	\$3,000.00
Insurance	\$1,500.00	\$950.00
Weed control	\$1,500.00	\$694.93
Office supplies	\$500.00	\$414.20
CPA/tax prep	\$300.00	\$336.00
Legal Professional fees	\$500.00	\$130.00
Social	\$394.00	\$160.54
Misc	\$3,500.00	\$0.00
Carryover to 2004	\$18,689.99	\$0.00
<b>Total</b>	<b>\$85,283.99</b>	<b>\$59,376.82</b>

## CMRHOA Budget CY 2004

### Resources

Cash	\$18,602.51
Accts Receivable	\$7,455.00
Dues	\$20,850.00
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total	\$46,907.51

### Expenses

<u>Item</u>	<u>2003 act</u>	<u>2004 budget</u>
Road Maintenance	\$51,210.00	\$25,000.00
Shed/mailboxes	\$2,481.15	\$2,000.00
Signs		
Snow Removal	\$3,000.00	\$5,000.00
Insurance	\$950.00	\$1,100.00
Weed Control	\$694.93	\$1,500.00
Office supplies	\$414.20	\$500.00
CPA/tax prep	\$336.00	\$300.00
Legal fees	\$130.00	\$1,000.00
Social	\$160.54	\$300.00
Misc/acct rec		\$4,207.51
Carryover to 2005	\$26,057.51	\$6,000.00
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total	\$85,434.33	\$46,907.51

**Cedar Mesa Ranches HOA  
Board of Directors Meeting  
Annual Meeting  
March 4, 2004  
7:00 – 8:30 pm**

**BUSINESS MEETING: 6:00 – 7:00 pm:**

**In attendance:** Nancy Schaufele, Lisa Liljedahl, Terri Montoya, Susan Bryson, Terry Micheal and Steve & Marty Ludemann.

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**Meeting called to order at 6:05 pm.**

**Approval of February 2004 Minutes:** Susan made a motion to approve the February 9, 2004 minutes as written. Terry seconded the motion. Motion passed.

Nancy wanted to let everyone know about the two conference calls she and Susan had with Bill Rasure, the attorney retained by the HOA to assist with covenant and collection issues.

**Summarization of Conference Call with Attorney Bill Rasure:** Nancy highlighted the following comments:

- We will be adding a clarification to the current Covenants that provides the Colorado law interpretation of mobile homes. This is not an amendment but merely a clarification or definition of what “mobile home” entails.
- The Board has been addressing the issue of mobile homes for over a year now and has thorough documentation (Terry will compile a documentation trail) that lot owners have been well informed that mobile/modular homes are not allowed in this subdivision.
- The established HOA took over from the developer in May 2002. The mobile/modular homes that were here previous to May 2002 were improperly allowed by the developer and the attorney recommended we “grandfather” them into the covenants.
- The Covenants are a legal document that runs with the property.
- This subdivision is a “planned community” and if you purchased land in Cedar Mesa then you are obligated to follow the Covenants.
- The Covenants (paragraph 32) are unclear as to who is the “Grantor” and Mr. Rasure suggested that this paragraph is a long way away from identifying the procedures for amending the document. Hence, it is his recommendation that we secure 100% membership approval to add an amendment suggesting 2/3-3/4 membership approval for modification.
- We should be identifying all “reasonable and practical” Covenant violations and after sending a certified return receipt letter or two to the lot

owner, we should be filing a written Notification of Covenant Violation with the county recorder.

- The Bylaws clearly set forth the provisions to collect unpaid fees/dues. Again, we should be sending written notice and if we still have non-compliance, file a Notice of Lien that is recorded with the County..
- As an HOA Board of Directors we have an obligation to enforce the Covenants. Our mission is to protect and enhance the planned community. We have a lot of out-of-state lot owners who aren't here year-round and the most efficient way to enforce the Covenants is through the HOA.
- Mr. Rasure suggested that the cost to pursue litigation against the developer for the sub-standard roads is \$100,000 to \$200,000. More than likely Redstone was bonded, but if the county approved the specifications, it could be difficult to prove a negligence case against the developer. And, more than likely the county is protected by sovereign immunity.
- Combined attorneys fees in the very public Shenandoah subdivision case were \$500,000. Litigation is very costly.
- We would like to tighten the Covenant language with respect to fire mitigation on vacant land. This issue would involve more than a "clarification" and instead would need a vote for amendment.
- The attorney will be assisting us with the following:
  1. Clarification language of mobile/modular homes.
  2. Notice of Covenant Violation (he will complete the first document and then we can do it internally from here on out).
  3. Notice of Lien (again, he will assist with the first lien and then we will complete the document from here on out).
  4. Legal language for the proposed amendment.

**Legal Assistance:** Susan mentioned that two out of state lot owners (John Cameron & Torin Andrews) who are real estate attorneys by profession, have offered their assistance as a resource to the HOA. The board concurs that it is great to use their services as a "resource" and feel that we should still have an independent attorney on retainer.

**Design Review Committee:** Terri handed out the documents prepared by the owners of Lot #93. They are interested in erecting a "yurt" and living in the structure for up to three years while building a home. The board discussed the definition of a "yurt" and suggested that it was in fact a nomadic tent-like structure. The board agreed that the structure looked nice. Lisa even offered that she had built and lived in a yurt for three years and understands the design concept. Unfortunately we as a Board of Directors must enforce the Covenants and cannot be selective. It was the opinion of the board that a yurt was a "tent" and a temporary structure and as long as the lot owner did not exceed the 9 month requirement then they could live in such a structure. However, we agreed to review the legal definition of a "yurt" before ruling that it was in violation.

Additionally, the question was raised about the proposed septic and Terri didn't have that answer.

(Immediately following the meeting Terry looked up the legal definition of a yurt: "A circular domed TENT of skins or felt stretched over a COLLAPSIBLE lattice framework and used by pastoral peoples of inner Asia.")

We also discussed paragraph 14 of the Covenants as they relate to "earth tone" colors. We all agree that most colors could be considered "earth tone" and feel that as long as the exterior color isn't something gaudy such as bright purple, we would prefer to stay far removed from the selection of exterior or roof color. Beauty is very subjective and certainly in the eyes of each beholder!

**Easement to BLM (public) land:** Susan mentioned the easement between Lots #94 and #95 as addressed in previous minutes; however she asked about the second easement between lots #104 and #105 (recently identified by lot owner John Cameron). The other board directors are aware of these two easements. We are also aware that these easements are designed for the use by other HOA owners but with over 2,000 acres of subdivision land we are still concerned about possible parking issues. These concerns will need to be addressed.

**Contingency Fund:** The bylaws clearly state that the Board has an obligation to set aside "working capital and a contingency fund." Terri said that a client of hers recently mentioned that in her subdivision in Arizona the board is required to reserve \$70,000 for such a fund. We discussed our concerns around this issue and the undesirable need to raise dues.

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### **ANNUAL MEETING: 7:00 – 8:30 pm.**

Nancy Schaufele asked everyone to introduce themselves and tell folks which lot they own. The attendance sheet is attached. We had approximately 28 people in attendance.

**Highlights of Year 2003:** Nancy presented the following highlights and there was some discussion with each update.

- The HOA as we all know it was established in May 2002. The Board of Directors is a volunteer position.
- **Mailboxes** – We are required to have one central mailbox for each lot, or 139 boxes. We don't have near that many currently erected near the front of the subdivision but in the near future the post office will be enforcing this requirement. The Mancos Postmaster is assigning boxes.



- **Noxious Weeds** – We sprayed once in 2003 and have budgeted for two sprays this year. The HOA is required to mitigate noxious weeds in and around the road. We are able to reach approximately 15-20 feet on either side of the road (setback area). Weed spraying is the responsibility of each and every lot owner. Our Covenants identify this mandate and so does the County. It is the law in this County to mitigate your noxious weeds and anyone in violation could be turned into the county and prosecuted. Thistle is our biggest problem but we also have Toadflax and Cheat Grass. Terry offered to make sure that our next Newsletter has information about noxious weed identification. Lisa also mentioned that she can do all the work possible on her lot but if her neighbor doesn't mitigate it is almost futile. Please take responsibility for this very important work.
- **Newsletter** – The Board agreed to produce a bi-annual Newsletter; one in the spring (following our Annual Meeting) and another in the fall (October). Producing a Newsletter is terribly time consuming. The Secretary sends out electronic copies of the minutes each month and if you are interested in receiving copies, please be sure that she has your e-mail address.
- **Fire** – We did receive a very small grant for fire mitigation and will be meeting as a committee to discuss the work proposed in the grant. The grant essentially stated that we would select a prominently displayed lot and complete mitigation work on that lot so that other owners and area residents can view what a defensible space lot should look like. The owner will need to pay a match (\$) to complete the work. We haven't yet identified how a lot will be selected and need to have the process be fair and equitable. Additionally there is some money built into this grant for slash removal. We will be providing more information in the months to come. Additionally, we will be focusing on fire evacuation plans this year.
- **Roads** – Steve and Lisa co-chair this committee and have done a marvelous job getting our roads repaired and maintained. As most of you know, we had one road assessment fee and collected approximately \$40,000. However, last year we spent nearly \$52,000 repairing the roads, building bar ditches, installing culverts and simply maintaining what we have. We have been following all the recommendations of a licensed engineer hired to give us his list of priorities for our roads and the money still isn't enough. Several unanticipated drainage issues have been identified. The water is simply eroding our roads. In one storm alone in 2003, we received over 3" of water in less than an hour.

Roads are the biggest concern and the largest expense. We have received competitive bids for all the major work that has been done and it is simply an expensive endeavor. The current pothole condition that exists is something that occurs on all dirt roads throughout this area. It's

simply a condition of living in the country and having extreme weather conditions.

Speed is a huge concern. Folks travel Road 35 at mach ten and it tears up our roads. We've considered erecting signs that say, "Drive Slow, and Protect our Roads." A lot of the problem with excessive speed is with contractors who are building but don't live here. PLEASE tell your contractors to slow down while traveling our roads.

We addressed the possibility of filing a lawsuit against the developer and the county. See comments mentioned in the Business Meeting. Additionally, it was suggested that we should approach our County Commissioner and see if something can be done. The County hasn't accepted any responsibility for the condition of our roads (they are un-maintained County Roads). One lot owner suggested perhaps we should file a lawsuit just to protect the statute. Another lot owner said that the County never required the developer to build the roads to specifications for those roads leading to Tracts. And yet another lot owner suggested we all take some time to fill potholes and personally work on the roads adjacent to our homes.

Lisa mentioned the risk of losing your home to fire if you fail to snow plow your driveway and recommended that all homeowners, regardless of whether you live here full-time or not, take personal responsibility for plowing their driveways. A fire allowed to burn makes us all susceptible to danger.

- **Covenants** – Nancy reminded folks that we, as an HOA, did not exist until May of 2002. We took over as an official HOA when 75% of all the lots were sold. The Covenants are a part of your land and we cannot control the real estate agent or the developer for their failure to incorrectly mention items contained in the Covenants. It is each and every lot owner's responsibility to become familiar with the Covenants. This is a Planned Community Development and the majority of people purchased here because of the Covenant restrictions. It is the responsibility of the HOA to see that the Covenants are protected and enforced to maintain the property values and integrity of this community.

We have received legal opinion on the definition of a mobile home which also includes modular homes. The Covenants clearly state that mobile/modular homes are not allowed in this subdivision. We have been told by legal counsel that the existing mobile homes (brought here before May 2002) can be grandfathered in. The attorney is currently drafting language clarifying this definition and the fact that mobile home and modular home are interchangeable and one in the same.

Ron Gallagher, owner of Tract R, brought up the Colorado Common Interest Ownership Act, a sixty page document stating that if the covenants are not written in accordance with this Act, they are largely unenforceable.

Cindy Swan, owner of Lot #108 asked if we could essentially change the HOA Covenants and Bylaws to only include responsibilities for the road (common issues). The opposition stated that they purchased property in this subdivision because of the Covenant restrictions and offered that they would never vote for such a change.

The HOA Board of Directors has retained legal counsel to address Covenant amendments.

The three hot topics on the Covenant Committee's radar screen are:

1. Mobile/modular homes
2. Temporary structures
3. Enforcement of Covenants

- **Financial Report** – Steve Ludemann reviewed the expenditures in 2003 and the 2004 budget. He provided the following summary:
  - As of March 2004 we have approximately \$6,400 in outstanding accounts receivable. There are provisions in the bylaws that allow us to file liens and we are taking steps to do just that.
  - We have budgeted \$25,000 for road maintenance and as you've heard this amount is dramatically low and simply unrealistic. We cannot budget anymore than that and still maintain a balanced budget. Our annual dues are only \$150. We continue to struggle to find ways to maintain and repair the roads and must ask ourselves, 'is our income stream big enough?'
  - The February Board Minutes give some projected costs for the future maintenance and repair of our roads.
  - Rollin Lunders, owner of Tract Q, said that all of us should be questioning our mill levy tax. The tax should reflect that we as lot owners are responsible for the maintenance of county roads. The tax should be reduced because of that and he suggested you all call the Assessor's office.
  - The HOA is required to maintain working capital and a contingency fund.
- **Election of New Board Officers** – Nancy announced the proposed slate of Officers:

○ President	Terry Micheal
○ Vice-President	Lisa Liljedahl
○ Treasurer	Steve Ludemann
○ Secretary	Susan Bryson

- o At Large
- o At Large

Nancy Schaufele  
Terri Montoya

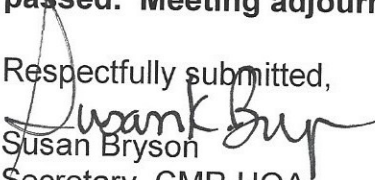
Nancy asked for nominations from the floor. After some fun arm twisting we had one additional nomination for Suzanne Duke (lot owner #25). A motion was made naming the proposed slate, including Ms. Duke, as the 2004 Board of Directors. A vote was taken. There was no opposition. Vote passed unanimously.

• **NEW BUSINESS** – Terry Micheal asked if there was any New Business to discuss:

- o Update on Fire Station – It is a volunteer fire station housing an ambulance and a couple of engines. Lisa reminded folks that for an annual fee of \$25 to the Mancos Fire and Rescue Department, the ride in the ambulance is free.
- o Identifying the easements to BLM (public) land is on our radar screen in 2004.
- o We should consider “slow down” speed signs.
- o Suzanne Duke asked if anyone was interested in high speed internet access and she offered to do some research and get back to the community.
- o This is the best time of the year to take a proactive approach to fire mitigation.
- o One lot owner mentioned her disappointment of an exterior color selection of a newly constructed home in the subdivision and questioned the HOA’s authority to mandate color selection. Please refer to the earlier notes from the Business Meeting wherein we intend to shy away from this issue unless the color is completely intrusive and in violation of the Covenants.

**A motion was made and seconded to adjourn. Motion unanimously passed. Meeting adjourned at 8:30 pm.**

Respectfully submitted,

  
Susan Bryson  
Secretary, CMR HOA

**Cedar Mesa Ranches Financial Report to BOD  
March 4 2004**

**Accounts Receivable**

2003 Dues	\$1,705.00
Road assessment	\$4,700.00
Total	\$6,405.00

**Future Receivables**

2004 Dues (due May 1 2004)	\$20,550.00
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**Accounts Payable**

Total	\$0.00
Total	\$0.00

**Cash on Hand**

\$12,921.20

**CY 2003 Budget Status**

Item	Budgeted amount	Spent to date
Road Maintenance	\$25,000.00	\$4,395.31
Shed/mail boxes	\$2,000.00	\$0.00
Signs	\$0.00	\$0.00
Snow removal	\$5,000.00	\$1,500.00
Insurance	\$1,100.00	\$1,086.00
Weed control	\$1,500.00	\$0.00
Office supplies	\$500.00	\$0.00
CPA/tax prep	\$300.00	\$0.00
Legal Professional fees	\$1,000.00	\$0.00
Social	\$300.00	\$50.00
Misc	\$4,207.51	\$0.00
Carryover to 2005	\$6,000.00	\$0.00
Total	\$46,907.51	\$7,031.31

**Cedar Mesa Ranches Financial Report to BOD  
31-Dec-04**

**Accounts Receivable**

2001 Dues	\$150.00
2003 Dues	\$200.00
2004 Dues	\$300.00
Road assessment	\$1,000.00
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Total	\$1,650.00

**Accounts Payable**

	\$0.00
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Total	\$0.00

**Cash on Hand** \$7,335.84

**Contingency** \$2,692.17

**Carryover to 2005** \$6,000.00

**Working Budget (2004)**

Item	Budgeted amount	Spent to date
Road Maintenance	\$24,900.00	\$24,462.91
Shed/mail boxes	\$0.00	\$0.00
Signs	\$100.00	\$134.25
Snow removal	\$3,000.00	\$2,000.00
Bad Debt	\$0.00	\$1,050.00
Insurance	\$1,436.00	\$1,186.00
Weed control	\$1,442.25	\$1,442.25
Office supplies	\$1,221.75	\$989.32
CPA/tax prep	\$190.00	\$190.00
Legal Professional fees	\$5,000.00	\$5,843.21
Social	\$100.00	\$88.52
Fire mitigation	\$875.00	\$875.00
Web Page	\$100.00	\$95.40
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Total	\$38,365.00	\$38,356.86

**Cedar Mesa Ranches Financial Report to BOD  
Feb 9 2004**

**Accounts Receivable**

2003 Dues	\$1,705.00
Road assessment	\$5,150.00
Total	\$6,855.00

**Accounts Payable**

Total	\$0.00
Total	\$0.00

**Cash on Hand** \$13,671.20

**CY 2003 Budget Status**

Item	Budgeted amount	Spent to date
Road Maintenance	\$25,000.00	\$4,395.31
Shed/mail boxes	\$2,000.00	\$0.00
Signs	\$0.00	\$0.00
Snow removal	\$5,000.00	\$0.00
Insurance	\$1,100.00	\$1,086.00
Weed control	\$1,500.00	\$0.00
Office supplies	\$500.00	\$0.00
CPA/tax prep	\$300.00	\$0.00
Legal Professional fees	\$1,000.00	\$0.00
Social	\$300.00	\$50.00
Misc	\$4,207.51	\$0.00
Carryover to 2004	\$6,000.00	\$0.00
Total	\$46,907.51	\$5,531.31

**Cedar Mesa Ranches HOA  
Board of Directors Meeting  
April 12, 2004  
Bryson/Liljedahl Residence, Tract O  
7:00 – 9:15 pm**

**In attendance:** President, Terry Michael, Vice-President, Lisa Liljedahl, Treasurer, Steve Ludemann, Secretary, Susan Bryson and Member at Large, Terri Montoya.

**Not in attendance:** Members at Large, Nancy Schaufele and Suzanne Duke

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**Meeting called to order at 7:06 pm**

**Approval of March 4, 2004 Annual Meeting Minutes:** Lisa made a motion to approve the minutes as written. Steve seconded the motion. Motion passed.

**Financial Report:** Steve handed out the April 12, 2004 Financial Report and announced that our accounts receivable has gone down by \$150 since our last meeting. We still show 17 lot owners who haven't paid either the Road Assessment Dues and/or the 2003 Annual Dues.

The 2004 Annual Dues (\$150) are due on May 1, 2004. Steve drafted a proposed letter for collection of dues and gave us all a copy. As discussed previously, this letter will be a separate mailing from our Newsletter.

Steve also drafted a proposed collection letter that we reviewed and discussed.

Lisa made a motion approving both the "Dues" letter and the "Collection" letter. Susan seconded the motion. Motion passed. Steve will mail the Collection letter certified return receipt requested, as described in the bylaws. Terry agreed to mail the Dues letter once Susan furnishes the mailing labels.

Two lot owners have already paid their 2004 dues. Hence the amount we intend to collect is  $137 \times \$150$  for a net of \$20,550.

Lisa made a motion to approve the April 12, 2004 Financial Report as prepared and submitted. Terry seconded the motion. Motion passed.

**Return Address:** We discussed the ongoing dilemma of not having a physical address for the HOA and agreed that since Steve will be out of town from the middle of June until the first of September that Terry will show his address as the HOA return address. However, Steve will have his return address reflected on the Collection letter in that we will need to file liens prior to his departure.



**HOA Bank Account:** It was agreed that two officers should have signature authority on the checking account. Terry made a motion to strike Nancy's name (no longer an officer) and add Lisa Liljedahl's name. Steve Ludemann's name will remain. Susan seconded the motion. Motion passed.

Lisa will schedule a time to meet Steve at the bank to make this change. Lisa also offered to take over the Treasurer's tasks this summer during Steve's absence. Steve will transfer the accounting information prior to his departure.

**Raising Dues:** We must address the very difficult and controversial topic of raising HOA dues in order to be fiscally responsible. The Bylaws state that the Annual Dues are \$150. If we were to increase the dues we would need to amend the Bylaws which will require a vote of the full membership.

After considerable discussion it was agreed that the Board is obligated by our Bylaws to have a "contingency fund." We maintain a very small amount in "Miscellaneous" and the Board suggested we rename it on our budget as a "contingency fund." Additionally, we all agreed to consult with representatives of other subdivisions to find out what their HOA is required to maintain. Terry agreed to ask our attorney what he would recommend and if he would be willing to give us contact information for other Southwest Colorado subdivisions.

As a Board we believe that we have a fiscal responsibility to represent the interests of the HOA. This includes fiscal concerns for:

- Contingency Fund
- Legal Fees
- Roads/Maintenance\*
- Capital Improvements (i.e. roads, etc.)

\*The Roads will continue to be an ongoing and exhausting nemesis.

We discussed the method(s) for determining our long term projected expenses and agreed we need to present a plan and/or good argument to the HOA. Steve started such a project and will e-mail the spreadsheet to Terry and Lisa to begin developing a projected long term budget.

It was agreed to create a self-imposed deadline of June 2004 to present a report on long term projected expenses and a recommendation to the Board. Terry, Lisa and Steve agreed to work on this document.

**Construction Impact Fees Assessment:** We have previously discussed the possibility of imposing an impact fee retroactive to all lot owners who have already constructed their home. It is a known fact that large equipment and day to day travel by contractors is a large reason why the roads deteriorate so quickly. Moreover, we have all witnessed the builders arriving at excessive speed and departing in the same manner and do our best to get them to slow

down. It's impossible to manage this ongoing problem. Nevertheless, the Board agreed that it would be a managerial nightmare to impose and collect an impact fee and would prefer not to proceed in that direction.

**Mill Levy Tax:** Terry agreed to call the Assessor's office to find out if our property taxes have been reduced because of the un-maintained county roads in this subdivision. If they haven't been reduced – are we eligible to challenge our tax?

**Mobile/Modular Homes:** We agreed to stand firm in our previous interpretation of Mobile/Modular home and will bump the attorney to secure the "clarification" as soon as possible. One lot owner is threatening litigation and we are prepared to defend our position.

**Temporary Structures:** To paraphrase Paragraph 11 of our Covenants, it states that a "temporary structure may not be allowed to remain or be stored on any lot for a period of more than 9 months in a given year. Recreational vehicles may be stored longer than 9 months per year, provided they are stored in a storage facility (i.e., barn or garage)."

We have already addressed the yurt question determining that it is a temporary structure and cannot remain on the lot for more than 9 months in a given year.

Susan mentioned that representatives of the Covenant Committee will drive the roads and identify the apparent violations by the end of April. Terry agreed to write a letter to the violating lot owner but will first ask our attorney for the recommended wording for this "notice" letter.

**E-mailing to HOA members:** Terry suggested that in the future we list the names under bcc out of courtesy to our membership and Susan agreed to do so.

**Easements to BLM (public) land:** The board agreed that public land access must be made available to the "general public" and we cannot limit access to HOA members only. What we can do, out of courtesy to the lot owners, is hopefully minimize the use by not calling attention to the easements. We agreed to re-think the use of signs, etc. so as to not necessarily call attention to the access easement.

**Road Update:** We still have some remaining drainage issues on Road 35. Dale will need to install two or possibly three culverts and build bar ditches. Road J.7 also needs some base.

Lisa also mentioned that after driving the roads she noticed we have several areas where the bar ditches are 2-3 feet deep and eventually they will grow in size and create a cavern that undermines the road. Steve concurred. The easiest long term solution is to build more culverts across the road. We need to

keep this ongoing problem on our radar screen when considering a long term projection of costs.

Steve mentioned that he needs to contact the blacktop company to come out and repair the area at the entrance (Road 35).

**Speeding:** We have all been taking individual responsibility to try and slow down drivers that are speeding. After considerable discussion it was agreed that we should post a sign at the front of the subdivision that reads: **SAVE OUR ROADS – DRIVE SLOW**. Apparently several county roads in La Plata County have had some success with this solution. Nancy was on the Board at the time we ordered other signs and we will ask her to spearhead this project.

**Fire Mitigation:** Susan reviewed the grant proposal and mentioned that the majority of funding will be to help with slash removal. She will ask for two competitive bids. Susan will be meeting with the Fire Committee personnel and discussing the other issues.

Terry agreed to take over the management of the fire sign posted at the entrance.

Susan will be attending and representing CMR HOA at an upcoming HOA Fire Symposium in May and all are invited. The first workshop is on May 18<sup>th</sup> from 6:30-8:00 pm at the La Plata Electric Association Meeting Room (in Bodo Park). The presentation will focus on insurance issues and Legalities for HOA's in enforcing defensible space covenants. The second workshop is on May 25<sup>th</sup> from 6:30-8:00 pm at the same location. The presentation will focus on Developing an Evacuation Plan for subdivisions; Dealing with Slash as a Neighborhood; and a "What Works" discussion – successes and challenges of subdivisions and how to address the challenges.

**Acquisition of Lot #11:** Terry, Susan, and Lisa feel that it is a long term visionary solution to address a number of issues that will surface as this subdivision grows. To name a few issues, the lot could serve as our school bus stop, centralized mailbox, mailing address, meeting room, parking of snow plowing equipment, car-pool parking, etc. The lot is for sale and the current lot owners have contacted the HOA and expressed their willingness to work out a payment plan. Steve said that we simply don't have the money and he recommended against the suggestion. Terri was open to the "suggestion" and agreed that we needed more information but certainly realized that money was the huge obstacle.

#### **New Business:**

- **Lot Owner's request to Concrete Pave a Portion of the cul-de-sac adjacent to his lot** - After much discussion it was unanimously agreed that the road was common property and for a variety of reasons we would

not allow the concrete paving of the common road. Susan made a motion to deny the lot owner's request to pave the common road. Terry seconded the motion. Motion passed.

- **Paving Main Road:** Lisa has been corresponding with another lot owner that would like us to seriously consider asphalt paving the roads – certainly the main road. The costs to pave, in addition to creating a winter nightmare, will preclude us from paving. The rest of the board concurred.
- **Centralized Mailboxes** – Lisa provided the recent history of the continuing mailbox saga and stated that the Mancos Postmaster is offering CMR HOA nine (9) brand new boxes that will accommodate all 139 lots. The boxes will contain 18 large package boxes. The new pedestals will fit on the existing concrete pad. In exchange for these new boxes we agreed to ask our lot owners to cooperate with the post office when they reassign boxes and exchange keys. The lot owners currently receiving home delivery will continue to do so. They will have the option; however, of receiving centralized delivery.
- **Financial Hardship** – We discussed some of the recent written requests from lot owners claiming financial hardship and talked about how to address this issue. We all have considerable compassion for their hardship but believe it is imperative as a fiscal agent for this HOA to remain steadfast in our mandate that the money is owed and must be paid.

**A motion was made and seconded to adjourn the meeting. Motion unanimously passed. Meeting adjourned at 9:15 pm.**

Respectfully submitted,

  
Susan Bryson

Secretary, CMR HOA

**Cedar Mesa Ranches Financial Report to BOD**  
**April 12 2004**

**Accounts Receivable**

2003 Dues	\$1,705.00
Road assessment	\$4,550.00
Total	\$6,255.00

**Accounts Payable**

Total	\$0.00
Total	\$0.00

**Cash on Hand**

\$9,849.25

**CY 2004 Budget Status**

Item	Budgeted amount	Spent to date
Road Maintenance	\$25,000.00	\$6,839.16
Shed/mail boxes	\$2,000.00	\$0.00
Signs	\$0.00	\$0.00
Snow removal	\$5,000.00	\$2,000.00
Insurance	\$1,100.00	\$1,086.00
Weed control	\$1,500.00	\$0.00
Office supplies	\$500.00	\$49.58
CPA/tax prep	\$300.00	\$190.00
Legal Professional fees	\$1,000.00	\$0.00
Social	\$300.00	\$88.52
Misc	\$4,207.51	\$0.00
Carryover to 2005	\$6,000.00	\$0.00
Total	\$46,907.51	\$10,253.26

**Cedar Mesa Ranches HOA  
Board of Director's Meeting  
May 3, 2004  
Montoya Residence**

**In attendance:** Board Director's, Terry Micheal, Lisa Liljedahl, Terri Montoya, Susan Bryson, Suzanne Duke and Nancy Schaufele. HOA Members, Lionel Montoya, Jim & Ruth Bignell and Doc & Michelle Charbonneau.

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**Meeting called to order at 7:13 pm.**

**Approval of April Minutes:** Lisa made a motion to approve the April minutes as written. Nancy seconded the motion. Motion unanimously passed.

**Board Conduct:** We will be professional at all times. Terry offered to field the difficult questions and respond to irate members.

**HOA Attorney:** Terry is working with Mr. Rasure to ensure HOA compliance.

**Resource Material:** A lot owner graciously donated some HOA resource material. Terry suggested we all become familiar with this material.

**Lot #11:** Nancy made a motion to table the discussion about pursuing the purchase of Lot #11 until we have more money and the opportunity for more long term vision. Suzanne seconded the motion. Motion unanimously passed.

**Covenant Violations:** Mr. Rasure is helping us with a template to place any HOA member on notice of a covenant violation and file a lien with the county if the violation is not corrected. Terry is taking the lead with this.

**Mill Levy Issue:** Terry spoke with the Assessor's office and was informed that there is no provision in the law that separates the non-maintained from the maintained roads and therefore, without a separate tax district, we are not eligible to receive any reduction on our property tax.

**Fire Mitigation:** Susan presented the Action plan.

**Speed Signs:** Nancy will order a sign as described in last month's minutes.

**Management Certificate:** Terry will complete the paperwork and comply with this requirement.

**Physical Location of Records:** Suzanne made a motion authorizing the BOD to purchase a four drawer legal size file cabinet to maintain the HOA records.

Terry agreed to house the cabinet. Nancy seconded the motion. Motion unanimously passed.

**Website:** HOA member, Nick Bird has offered his time to develop and maintain an HOA website. Suzanne agreed to work with Nick and provide more details to be presented at the next board meeting.

**Tract "K":** Doc and Michelle informed the BOD that the fire road running through their property is abused by folks driving in and out. This road is intended for emergency use only and is not an easement. The BOD agreed to purchase more signage for this road. Additionally, the lot owner has agreed to provide and erect a gate (to be unlocked) and requested BOD approval. Lisa made a motion to authorize the lot owner to install two gates at each end of the fire road. Terri seconded the motion. Motion unanimously approved.

**Budget Considerations:** The Contingency and Carry-over line items should be removed from the "expense" column. They should be included in the balance sheet. Terry will visit with Steve on this issue.

We also discussed the long term projected costs for road maintenance and the process for possibly raising the HOA dues. The BOD continues to gather facts.


**Design Review Board:** Terri presented the drawings prepared by the owners of Tract K and described the intended construction. Nancy made a motion to approve the design. Terry seconded the motion. Motion unanimously passed.

**New Business:**

- Lisa mentioned the possibility of working with the Fire Department to use a section of their lot for some "common property" interests. Lisa agreed to pursue this and bring facts back to the BOD.
- Lisa provided an update on the road maintenance.

**Meeting Adjourned at 9:05 pm.**

Respectfully submitted,

  
Susan Bryson  
Secretary, CMR HOA

**If you have any questions or concerns related to this meeting, please contact Terry Micheal at 970.564.0158 or e-mail, [tdm@archerserve.com](mailto:tdm@archerserve.com)**

**NEXT MEETING IS JUNE 7<sup>TH</sup> AT THE BIGNELL RESIDENCE.**

**Cedar Mesa Ranches Financial Report to BOD  
1-May-04**

**Accounts Receivable**

2003 Dues	\$1,350.00
2004 Dues	\$18,900.00
Road assessment	\$4,150.00
Total	\$24,400.00

**Accounts Payable**

	\$0.00
Total	\$0.00

**Cash on Hand**

\$11,944.03

**CY 2004 Budget Status**

Item	Budgeted amount	Spent to date
Road Maintenance	\$25,000.00	\$6,839.16
Shed/mail boxes	\$2,000.00	\$0.00
Signs	\$0.00	\$0.00
Snow removal	\$5,000.00	\$2,000.00
Insurance	\$1,100.00	\$1,086.00
Weed control	\$1,500.00	\$0.00
Office supplies	\$500.00	\$209.46
CPA/tax prep	\$300.00	\$190.00
Legal Professional fees	\$1,000.00	\$0.00
Social	\$300.00	\$88.52
Contingency	\$4,207.51	\$0.00
Carryover to 2005	\$6,000.00	\$0.00
Total	\$46,907.51	\$10,413.14



4/20/04  
Micheal

**Cedar Mesa Ranches HOA  
Board of Directors Meeting  
June 7, 2004  
Bignell Residence**

**In attendance:** Terry & Michelle Micheal, Steve Ludemann, Lisa Liljedahl, Susan Bryson, Nancy Schaufele, Ruth & Jim Bignell, Cindy Swan, Jackie McNeill and Gail Mingesz. Board Director, Suzanne Duke gave a presentation and then had to leave early. Homeowner Jerry Anderson was in attendance for his presentation and then left. Chris Schaufele was present for a portion of the meeting and then had to leave.

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**Meeting called to order at 7:09 pm.**

**Approval of May Minutes:** Terry made a motion to approve the May minutes as written. Lisa seconded the motion. Motion unanimously approved.

**Website Development:** Suzanne gave us an update and a demonstration. Volunteer, Nick Bird has done a tremendous job on this website and we all expressed our gratitude. The "host" cost should not exceed \$8.00 a month (approximately \$100/year). Nancy made a motion to move forward with the website project. Lisa seconded the motion. Motion passed unanimously.

**Lot Owner Anderson's report:** Jerry Anderson was questioning the definition of Covenant #11 as it pertains to the storage of a motor home on your lot. Discussion ensued. Terry and Lisa mentioned that long term storage of a motor home is not intended. The Board will seek counsel for assistance in defining this covenant and will provide clarification at a later date. The covenant should reflect the spirit and intent.

Mr. Anderson also questioned the road maintenance priority and commented that Road J.8 was overlooked during one snow plow incident. He does not want Road J.8 overlooked for maintenance. The Board reiterated to Mr. Anderson that the snow plow company had a new driver and they did not intentionally avoid Road J.8. It was called to the company's attention and they came back and plowed the road.

**President's Report:** Terry reported on the following:

- Thank you letter went out to the Mancos Postmaster
- Welcome letter to new lot owner
- May 18<sup>th</sup> letter to all lot owners
- Mobile Home position and the Gallagher letter
- Colorado Common Interest Ownership Act
- Litigation Update: We have no interest in litigating the Andrews case in the minutes; however the Director's feel it is important for the membership to know what is going on. The Director's are obviously cautious about what is said publicly for fear of retribution. So, in a nutshell, this is our understanding of the recent developments:

- For a number of reasons, only one of which includes the adjacent neighbors not wanting the cul-de-sac paved, the Board voted to deny the request to concrete the end of Road 35.
- Mr. Andrews gave the Board 72 hours to approve the paving of the cul-de-sac or he threatened to immediately bring in the concrete trucks. We felt our only option was to file a Complaint for an injunction to stop Mr. Andrews.
- Mr. Andrews has prepared a counter-claim against each individual Board Director alleging misappropriation of funds –stating we had no right to use the HOA funds for the road maintenance and repair.
- The counter-claim also alleges that the Board refuses to enforce Covenant #11 as it pertains to mobile homes because Terry Micheal (Board President) lives in a manufactured home.
- **Attorney Update:** The Board has hired an attorney to pursue the Complaint for an injunction and assist with the defense of Mr. Andrew's counter-claim against the individual board directors. We have also notified our Director's and Officer's Liability insurance carrier.
- **Covenant Violation Report**
- **HOA Records**
- **Terri Montoya's resignation letter.** Terry made a motion to regrettably accept the resignation of Terry Montoya. Nancy seconded the motion. Motion unanimously passed.

**Financial Report:** Steve delivered the June financial report. Nancy wanted the records to reflect her appreciation for all the hard work and effort both Steve and Lisa have done to assist with the road maintenance issues. Discussion ensued to amend the budget to more accurately reflect some of the costs. Terry made a motion to accept the amended budget. Lisa seconded the motion. Motion unanimously passed.

Terry mentioned that it is our goal to have a decision about HOA dues before the 2005 due date. The dues should better reflect our budgetary needs.

**Road Committee:** Steve and Lisa gave an updated report.

**Fire Mitigation Committee:** Susan announced that she and Cindy attended a Fire Wise Public Meeting on May 25<sup>th</sup> wherein experts discussed evacuation plans and mitigation within subdivisions. The notes are available if anyone is interested.

We have been given permission to use some of the limited grant funding to enhance our fire break on the main road (35). And, we will be proceeding with a slash removal project. The date(s) will be disseminated. In the meantime, all lot owners' can start taking advantage of this by removing and thinning some of the dead timber and hauling the debris to the edge of their lot line adjoining the road.

**Speed Signs:** Nancy has a call into the company that provided the signs a couple of years ago. She will have more information at the next meeting.

**Noxious Weeds:** Lisa reported that we have a huge problem with noxious weeds in this subdivision. We do have a covenant to address noxious weeds but enforcement is very difficult. We have serious problems with thistle, foxtail and cheat grass. It was suggested that perhaps we could include information and pictures on our HOA website that will assist with identification.

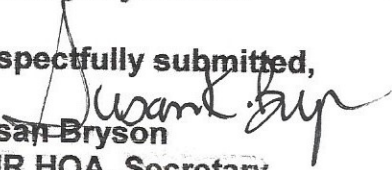
**Design Review Board:** Terry presented the drawings submitted by the owner of lot #65. We still have several questions that need to be addressed. Terry will ask for assistance.

Terry also presented the drawings submitted by the owner of lot #59 for a barn addition and recommended approval of said drawings. Discussion ensued. Lisa seconded the motion. Motion passed unanimously.

**Open Discussion: All**

**Motion was made to adjourn at 9:40 pm. Motion unanimously passed.  
Meeting adjourned.**

Respectfully submitted,

  
Susan Bryson  
CMR HOA, Secretary

**The NEXT MEETING of the CMR HOA will be on Monday, July 12<sup>th</sup> at 7:00 pm. Location will be the Bryson/Liljedahl residence: 10224 Rd. 36.7; Tract O**

File Copy

**Cedar Mesa Ranches Financial Report to BOD  
June 7 2004 (Revised budget)**

<b>Accounts Receivable</b>		
2001 Dues		\$300.00
2003 Dues		\$900.00
2004 Dues		\$5,400.00
Road assessment		\$2,950.00
<hr/>		
Total		\$9,550.00

<b>Accounts Payable</b>		
<hr/>		\$0.00
Total		\$0.00

**Cash on Hand** \$24,872.06

**Contingency** \$3,567.17

**Carryover to 2005** \$6,000.00

**Working Budget (2004)**

<b>Item</b>	<b>Budgeted amount</b>	<b>Spent to date</b>
Road Maintenance	\$25,000.00	\$8,551.66
Shed/mail boxes	\$0.00	\$0.00
Signs	\$100.00	\$0.00
Snow removal	\$3,000.00	\$2,000.00
Insurance	\$1,500.00	\$1,086.00
Weed control	\$1,500.00	\$0.00
Office supplies	\$1,000.00	\$718.93
CPA/tax prep	\$190.00	\$190.00
Legal Professional fees	\$5,000.00	\$0.00
Social	\$100.00	\$88.52
Web Page	\$100.00	
<hr/>		
Total	\$37,490.00	\$12,635.11