

COLORADO TIMBER RIDGE HOMEOWNERS ASSOCIATION
ANNUAL MEETING MINUTES
August 22, 2009 – Centerpoint Church

The annual meeting was opened at 10:00 AM by Barbara Parada, board President. A quorum was verified by Secretary Mike Ward. Barbara advised attendees that a three minute timer would be used to limit floor discussion. The agenda was approved unanimously. Barbara asked if there were any nominations from the floor. There were none. Balloting was closed.

Last years annual meeting minutes were discussed and approved by the board. The membership will not be able to see minutes until they are approved by the board and posted on our website per advice from our law firm.

Treasurer's Report:

Janie Bard's written report was read by Jody McAlister. The highlights are:

Reserve Fund is at	\$277,825
Reserve Fund Study Recc. Balance:	\$386,539 (as of 12/31/09)
Operating Fund Is at:	\$26,139
Annual Dues Collection Status:	92% Have Been Received
Outstanding Dues:	9 lot owners – liens will be filed

The proposed amended 2009 budget was discussed. Transfer of funds (\$35,322) from reserves to current fiscal year operating funds was recommended by our financial committee to avoid a special assessment for legal fees associated with our litigation. Details will be posted on our website. Following discussion, four lot owners were counted with veto votes. The amended budget was ratified.

Based on the reserve funding study, which assumed all facilities were completed, an increase in the annual dues may be necessary next year. However, our experience to date, without an equestrian center or clubhouse, indicates that our expenses have not been as high as was assumed. Discussion followed.

Status Report re: Developer Lawsuit – Jim Denvir

Jim reviewed the history and purpose of the legal action taken to date. The developer has violated our CC&Rs. He explained why lot owners were named as defendants along with the developer. It is a preemptive move which has no effect on the HOA lot owner's properties. In Mr. Machock's recent letter to HOA lot owners, Mr. Machock stated that HOA lot owners did not need to be named as defendants. As a follow up, our legal team has contacted Mr. Machock's attorney to amend the lawsuit by removing the HOA lot owners. Mr. Machock's attorney response was that he did not

necessarily agree with Mr. Machock's position, but would consider it and respond shortly.

The current legal action, if successful, would prevent Mr. Machock from disposing of, or developing, the remaining partnership's property and reimburse us for our legal fees.

Archuleta County Manager – Greg Schulte

Our issue for discussion is the status of Bristlecone Drive, which is “dedicated to public use”, but maintained solely by the Timber Ridge HOA.

Greg has not been able to find any documentation on the developer's agreement with the County.

Greg Schulte: Bristlecone has been designated as a “Primary Road” by the County. Primary roads are snow plowed before secondary roads. The Timber Ridge HOA now plows Bristlecone thru the development. The County plows Bristlecone where it passes thru the Bass Ranch.

Harry Kropp (HOA lot owner): He understands that a written agreement was created between J.R. Ford, Bass's Representative and Machock. It left maintenance of the unpaved portion of Bristlecone thru the Bass ranch to the County. Bristlecone was always understood to be dedicated to public use.

Barbara Parada: In the interest of fairness alone, the County should be willing to share Bristlecone maintenance costs with our HOA.

Greg Schulte: One option for our HOA is for us to petition the County to accept our portion of Bristlecone (or all our roads) into the County system. The roads would then entirely belong to, and be maintained by, the County.

Siri Schuchart: Why can't the County just do what is safest for the public? Cascade is much safer in the winter than Bristlecone, which has a dangerous spot at the intersection with Cool Pines. What can we do to make the situation better?

Greg Schulte: Our options are very limited: Either maintain the current situation or turnover Bristlecone to the County. The other HOA roads could still be maintained by the HOA. The Board of County Commissioners is the decision making body for this type of request. Be warned, traffic is like water. Traffic flow will increase thru the route of least resistance.

Stacey West: Her property is badly impacted by the heavy truck traffic on Bristlecone. How do we propose a gate to the County?

Barbara Parada: She and most homeowners here would agree that gating Bristlecone is our preference.

Greg Schulte: He cannot answer questions about what actions would be legal or not.

Barbara Parada: A subcommittee should be formed to make a proposal to the county for gating bristlecone. If that fails, then the committee should propose maintenance cost sharing with the county.

IRC & Compliance Committees Reports – Chris Harwood

If everyone would take the time to just read our CC&Rs, then 90% of the compliance problems would disappear. Chris needs several people willing to be active members of his committee.

Our CC&Rs do not address propane tanks or trailers that are visible from a neighbor's property. They only restrict visibility from the street.

Maintenance Committee – Ivo Brevien

Road sealing has been completed on Mariposa, Sage, (and Heath by Monday evening).

Yarrow & Kelsey will likely need sealing in 2011. No sealing is planned next year. Crown Court, Shooting Star, and Engleman will likely need sealing in 2013. An eight year period between sealing seems to be very adequate.

The snowplowing contract is out for bids. Bids are due in by 9/10/09. This contract should be awarded in September.

Ivo's maintenance committee needs volunteers.

Lunch Break

Election Results

Barbara Parada & Mike Ward were both elected to new board terms in an uncontested election for the two open board seats. Frank and Marlene, lot owner volunteers who are not board members, counted ballots.

Property Owner Education – Walt Lukasek

Walt reviewed his unfortunate recent experience with an HOA in North Carolina where the two golf courses, which were an integral part of the association, were both closed and litigation against the developer then commenced which will likely continue for a very long time. In his experience, such legal disputes are commonplace.

Walt explained the reasons and purpose of state legislation that regulates Common Interest Communities (HOAs) in Colorado and requires: annual budgets, rules and regulations, availability of documentation, issue resolution, open meetings, etc. Recently passed Colorado legislation discerns reserve fund requirements for small vs large associations. The needs of a 4 unit association are much different than for a 6,000 unit association. As a result, HOA boards now must simply have a written reserve fund policy without any specific requirements for amount or an outside consultant's study.

Resolutions were discussed, following a question from Barbara. Walt promised to follow up with an email to Barbara with more details.

Following a question by Mike Ward, Walt responded that HOAs can legally email all their correspondence to their lot owners under current Colorado State law. Some HOAs in this state do their elections entirely via email. Lot owners must first give their permission to use their email. It saves HOAs lots of money.

New Business

At Len Kleiner's request, the idea of bringing natural gas lines into Timber Ridge was discussed: Estimated costs are at least \$8.00/foot to lay 4" mains plus the cost of 1" lines to each house. If blasting is necessary, the costs would be much higher. A motion was passed to allow Len to see if lot owner support is sufficient to justify seeking natural gas line installation.

Jim Denvir answered several lot owner questions concerning our lawsuit against the developer.

An announcement was made of a special board meeting, open to the lot owners, for the election of board officers immediately following this annual meeting.

The meeting was adjourned at 2:00 PM