

25 September 2006

Greetings to all Indian Camp Ranch Homeowners Association Members:

In the months since your current Board began managing our homeowner's association, a variety of issues have surfaced. Although the Board has resolved most of these, others await voting by our Membership. If you don't plan to attend the October 7<sup>th</sup> Annual Meeting, please fill in and return your proxy to Melinda Burdette, Board Secretary.

#### Agricultural Zoning and Property Tax Reduction

Perhaps the most pressing action required at this time is your vote on whether the HOA should enter into a lease arrangement with local farmer and cattleman, Al Heaton, in order to regain our agricultural zoning and the corresponding property tax reduction. Al Heaton has been invited to meet our Membership at the Annual Meeting and has graciously agreed to attend.

As background to this issue, approximately one half of our membership received tax assessments this year that reflected an increase in property values at ICR and also revealed the loss of our agricultural zoning. Both of these factors have drastically affected taxation amounts. Many property owners protested the new assessments and it was discovered that property value increases were erroneously based on recent sales rather than on sales through 30<sup>th</sup> June 2004, the indicated period of time for assessment. The County Assessors responded to the protests by reducing values on all parcels from \$250,000 to \$175,000 but refused, at that time, to reinstate ICR's agricultural zoning on the parcels that were up for reassessment.

Since then, Archie Hanson has issued letters to the Membership that offer a brief history of agricultural activities at ICR and that describe the action he's taken to meet with the Montezuma County Tax Assessor in order to negotiate reinstatement of agricultural zoning on the entire ranch for the benefit of all property owners. The Assessor has approved of the proposed lease arrangement with Al Heaton as long as the majority of property owners give their permission. In deciding your vote (due no later than October 15<sup>th</sup>), it should be noted that property owners who have not received reassessments this year will receive them the next, and that those who have already received letters from the County will not realize the tax exemption that comes with agricultural zoning for two years.

Another related factor that should be taken into consideration is the weed control issue. The County just hired a new weed control officer and substantial per day fines can be levied for non-conformance on any of our properties. The proposed Al Heaton deal that includes weed prevention spraying for growing a better grass crop alleviates this potentially expensive issue for many homeowners and also lowers the cost of yearly spraying on common areas for the HOA.

#### Budget for 2007

In order to create a positive cash flow and to meet assessments for the coming years, the Board recommends raising the dues for 2007 to \$1,000.00 per year with 50% payments due on June 30<sup>th</sup> and December 31<sup>st</sup>. Your approval vote will be required for this action.

#### Election for Members of the Board

On August 21, I received a letter from an HOA Member who requested an open election at this time. This

issue was brought before the Board at the August 30<sup>th</sup> Board Meeting. A discussion was held and the Board agreed to abide by our existing Bylaws, which hold that Board Members are elected for a two-year term and that elections should therefore be held at the 2007 Annual Meeting. However, since two other property owners have also expressed concern over the legality of our Board, the issue might be raised for discussion at the Annual Meeting under New Business. In any case, the Board suggests the formation of a Nominating Committee to organize and manage future elections.

#### Bylaws Revision

All Board Members are in agreement that it is time to update and revise our existing Bylaws. Under the leadership of Richard Blake, we plan to undertake a review for this purpose and will request volunteers to step forward and participate in this important process. For those without access to the Bylaws, a copy can be found on our website, [www.icrhoa.org](http://www.icrhoa.org).

#### Nine Months of Progress

- In January, our Board signed and agreed to abide by Senate Bill 100; in August, we did the same with Senate Bill 89
- Our Member Website, [www.icrhoa.org](http://www.icrhoa.org), has been created and maintained
- We incorporated (at the end of January) as an HOA that is registered with the State of Colorado and filed with Montezuma County
- A positive budget balance has been maintained throughout the year
- Our Liability Insurance is in place
- We've taken positive steps toward assuring that all property owners receive the opportunity to take advantage of an agricultural tax exemption.

In closing I'd like to express the Board's appreciation for the part that many of you have played in furthering our goal toward functioning as a unified association that acts for the benefit of all. You know who you are, and we thank you so very much.

Best regards,

Karen Kristin  
*President*

#### Enclosures:

- 1) Agenda - Annual Meeting - October 7, 2006
- 2) Proxy Statement
- 3) Proposed 2007 Budget
- 4) Minutes - ICRHOA Board of Directors Meeting - September 14, 2006
- 5) Minutes - ICRHOA Board of Directors Meeting - August 30, 2006
- 6) Minutes - ICRHOA Annual Meeting - November 26, 2005