

Indian Camp Ranch Homeowners Association
Board of Directors Meeting
August 30, 2006 - 6:00 p.m.
Held at the home of Porter and Judy Stone
Indian Camp Ranch, Cortez, CO 81321

Directors Attending: Karen Kristin, President, Bob Greenlee, Vice President, Porter Stone, Treasurer, Melinda Burdette, Secretary, and Member-at-Large Richard Blake.

Also Attending: Russ Sweezey, Ranch Manager; and the following members: Jon Callender, Archie Hanson, Leila Hanson, Hollie and Pat Hatch, and Kurt Mangin.

President Karen Kristin called the meeting to order at 6:15 p.m. Melinda read the minutes of the previous Board meeting held on March 9, 2006. The minutes were approved with one correction: Lot 1 was not purchased by Robert and Anita Moss. It is still owned by Jon Callender.

Old Business. The Board reviewed the action items from the March 9 minutes so as to be brought up to date on what has been completed and what still requires action.

1. The ICRHOA was registered with Montezuma County.
2. Richard purchased the DR Power Grader and has tested it out on our roads. It works great when the roads are wet, and it is good for "spot" cures for problem areas. Richard offers the grader for grooming the ICR roads, but it does require an ATV or a small tractor to operate it.
3. The speed limit and other road signs have not been purchased, but Russ is ready to order them. Archie agreed with the Board that speed limit signs should be posted. Russ will place the order and install them.
4. The Bangs Brothers did not follow through with planting safflowers in May. The topic of agriculture on the Ranch is an agenda item for this meeting.
5. Russ reported that he purchased liability insurance earlier in the month.
6. Richard reported that he discussed with Archie and Mary Hanson their feelings on the repayment of the \$21,000 they advanced to the Association over the years, primarily for road maintenance. They feel it is money still owed to them.
7. Karen met with Jane Dillard and showed her some sketches of how the road could be changed to mitigate the potential impact of traffic to Jim Black's property that was of concern to her. She appreciated the consideration but did not want to make any changes.
8. The special assessment in 2006 which the Board was considering in March was not pursued. Advancing the due date for the annual assessment by three months over a four year period will effect the desired change, which is to collect annual dues for the year ahead instead of the previous year.
9. A meeting for the Board and Ricky Lightfoot, President/CEO of Crow Canyon Archaeological Center, to discuss matters of mutual interest was not arranged. However, Ricky was receptive to our request to hold our Annual Meeting at Crow Canyon, and he will be on hand to show members around prior to the meeting.
10. The Annual Meeting has been scheduled for Saturday, October 7 at 10:00 a.m. A notice has been posted on the ICRHOA web site.

Treasurer's Report. Porter distributed the report of revenues and expenditures. As of August 30, 2006, we have income of \$17,050, and expenses of \$4,951.

A suggestion was made not to post the line item report, as distributed, on the ICRHOA web site, as this is not a password protected web site, which means our financial information is accessible to anyone who

goes to our web site.

Ranch Manager's Report. Russ will post the specifics of our insurance coverage on the ICRHOA Web site when we receive the policy. Regarding weed control, Russ would like us to develop a long-term plan. One option is to investigate the cost of contracting a service to do the spraying and weed control on an annual basis. Karen asked Russ to compile a referral list that members can call for their own weed control needs.

Archie presented the Board with a written proposal for the clean-up of the roadways and roadside areas and the removal of weeds and growth. The project will require mowing, scraping with a box scraper, a 2-man crew to hoe weeds and pile them for removal, a skip loader and dump truck to remove the weeds to an off-site burn area on someone's property, and burning the weeds when they are dry. The Board voted unanimously that Archie should submit a bid to Russ, and Russ will submit it to Karen. If the bid is under \$3,000, Karen will approve it, and if it is more than \$3,000 the Board will need to approve it. Archie also indicated that he is willing to get a bid for weed spraying in late winter, so we will be on top of controlling weeds before they emerge in the spring. The same approval process will apply.

Russ said that Dale Murphy has been doing a good job with the road grooming. We will probably need to have the roads bladed one more time this year. The road base is still excellent, so we should not need to buy more gravel this year.

Archie presented the Board with an offer to replace the 13 name signs and street signs that need to be replaced due to poor condition and shabby appearance. In January, Archie sent a letter to Karen requesting that the Board attend to this maintenance issue. Since nothing has been done, Archie offered to do this on a contract basis, at a cost of \$300 per sign. His letter detailed the equipment and manpower requirements and the cost breakdown for labor, fuel, materials, etc. The Board unanimously approved a motion authorizing Russ to determine which signs will be replaced with the remaining funds in our budget for signage. The Board will budget adequate amounts in future budgets to replace signs on a rolling basis and have new signs made when properties change hands. In the interests of maintaining uniformity and neat appearance, the Board agreed that the name and road signs should be the responsibility of the HOA.

New Business. Archie submitted a letter to the Board informing them that he has inspected the 36 culverts on the Ranch, and the vast majority are in a serious state of failure which will subject our roads to erosion if not addressed. Archie proposed he would undertake a culvert recovery program at a cost of \$6,000, the equivalent of \$200 per culvert. Given the seriousness of this problem, the Board authorized Pat Hatch to investigate the cost of cleaning the culverts. He will inform Russ, and Russ will get Karen's okay or the Board's okay to proceed, depending on whether the cost exceeds \$3,000. Bob suggested that when the Board compiles next year's budget, we do line items for the various maintenance expenditures so we can track them better.

Bob Greenlee updated the Board on the property tax assessment situation, vis a vis the increases some members received in the spring. The question is: what action might we be able to take on behalf of all of the property owners. Bob does not think that this is a battle we can ultimately win because there are too many different types of property at Indian Camp Ranch. Karen distributed a description of "Agricultural Land Classification" for Montezuma County furnished by the office of the county assessor (Mark Vanderpool). What is important for our members to understand is: "...it is necessary that the land be part of a functioning farm or ranch used for the purpose of obtaining monetary profit from agriculture. Land must have legal agricultural use and continue such use for two years prior to receiving an agricultural classification."

One possibility that would enable some property owners to retain agricultural land classification would be to do an assemblage of property and create a lease with someone who is in the business of farming. If we were to pursue cattle, Colorado law is that you fence the cattle out. Archie mentioned that it costs approximately \$2.50/ft for fencing. One huge advantage to keeping agriculture on the ranch is that the farmer will work on abating the noxious weeds. Archie advised the Board to contact each lot owner and plead the case for agriculture.

Archie reported that he has had discussions with Al Heaton, a farmer who is interested in grazing some of his cattle on the ranch. Archie has also been talking to Scott in the county assessor's office, and he has learned that apparently our agricultural classification expired in 2003. Bob suggested that a few residents should go to the assessor, Mark Vanderpool, and try to work something out. It seems like we

only have three options: 1) take no action to get the ranch reclassified as agricultural, 2) approach the members about animal grazing and planting crops to feed them, which would entail fencing by members who wish to keep the cattle out; and 3) planting crops – but no farmers seem interested in doing this here.

Bob feels this is a major issue for our homeowners association. We need to get input and we need the members to vote on the options. He will draft a memo that outlines the options, and we need to get a majority (51%) vote on one of them. Russ and Archie will check with Al Heaton to see if he is still interested in doing business with ICR. Bob will check with Scott to see if he is on Board with reinstating ICR's agricultural classification. It is important that we determine a course of action as swiftly as possible or we stand to risk losing the opportunity that Al Heaton is providing us.

Karen received a letter from Skip Lange dated August 21 requesting an open election be conducted this fall. Another member informally expressed to her questions about the legitimacy of the process by which the current Board of Directors was elected in December. She asked Board members for their input on this issue. First, the Board wants these minutes to reflect that any disputes be put in writing to the Board. Regarding Skip Lange's written request for an open election, upon due consideration the Board chose not to act at this time..

The Board discussed the need to review and update the bylaws. Bob suggested that this be put on the Annual Meeting agenda and that we ask if there are members who would like to work on this.

Karen distributed a copy of a letter dated 15 August 2006 to all ICRHOA members that has been posted on our ICRHOA web site. Her letter informs members about the passage of Senate Bill 06-89, which requires HOAs to make revisions to some of their SB 100 required or recommended policies. Karen asked Jon Callendar to summarize how SB 89 affects our ICRHOA policies and procedures related to: conduct of meetings, inspection and copying of association records by members, handling of conflicts of interest involving Board members, reserve fund investment policy, alternative dispute resolution, and cooperating with sellers in disclosure of information. The Board thanked Jon for reviewing the required and recommended changes with us. Following this review, the Board approved these changes which are now incorporated in our resolutions and posted on our web site Documents page..

The Board asked Archie to update us on what is happening with the Black property. Archie reported that it has been divided into two parcels. Since it is not possible to have a 60' wide road, the property cannot be divided into parcels of less than 35 acres. The third parcel Jim Black plans on keeping for himself as surplus land to run cattle.

The matter of the repayment of Archie and Mary Hanson's loan was discussed and Board members all agreed that it needs to be resolved. Karen asked Porter, Richard, and Russ to develop a budget for 2007 that considers the amortization of outstanding debts to ICRHOA, a long-term capital reserve fund, and a realistic projection of expenses. The Board agreed that the current assessment of \$550 per lot is way under realistic costs. Porter, Richard, and Russ agreed to meet the following night to work on this.

Karen asked Melinda to prepare and mail to all members an announcement of the date, time, and place of the Annual Meeting. The announcement will invite members to submit agenda items in writing to the Board. A subsequent mailing will include the agenda, information pertaining to agenda items, and a proxy statement for those who are unable to attend the meeting and wish to designate a proxy. To comply with SB 100, a suitable location inside the entrance will be determined for a sign that needs to be posted about the date, time, and place of the meeting.

There being no further business, the meeting was adjourned at 10:15 p.m.

Respectfully submitted,

Melinda Burdette, Secretary