

Minutes of the Aspen Rose Ranch Board of Directors Meeting

November 5, 2011

The fourth quarter 2011 meeting of the Aspen Rose Ranch board came to order at 10:06 a.m. at the Gisclons' home at the Aspen Rose. Board members and other owners attending (board members in bold) were: **Ted Hyneck**, **Sandy Parrish**, Bob and **Carolyn Reed**, Lee and **Marty Gisclon**, and Fred and **Terrie Baros**. Not present were Mike Marsh (no proxy assigned) and Laura Brinkman (no proxy assigned). Owners on the phone were Mike and Patty Goodwin.

The minutes of the August 27 general membership meeting and the subsequent board meeting were accepted as written.

Sandy Parrish moved. Marty Gisclon seconded. Passed unanimously.

Marty Gisclon presented the Treasurer's Report, including the Balance Sheet, the Profit and Loss (P & L) statement, and the 2012 Budget. (All statements are included with these minutes.) In 2011, we spent \$4,035.64 for road maintenance, and \$1,785 for snow removal. Our P & L statement shows a net income of MINUS \$6,030.04, due to our loan for road maintenance which has now been paid in full. The statements were all approved as presented.

Carolyn Reed moved. Sandy Parrish seconded. Passed unanimously.

Marty next presented a status of annual assessments. She has sent certified letters to the four owners who have not yet paid their 2011 assessments. We discussed our process for collection. Ted Hyneck has spoken with an attorney, who has advised him on our current and future process to collect the assessments and to protect ourselves. If a property goes on the market or is foreclosed, we cannot collect without filing a lien. We have done this once in the past, and we were able to collect when the property sold.

It is the fiduciary responsibility of the Board of Directors to collect annual assessments from all owners. Although there MAY be upfront costs to Aspen Rose Ranch, the monies will eventually be recouped, either by the responsible owner or by the sale of the foreclosed property. Our covenants are clear on the consequences of failure to pay assessments—*"any costs (including attorney fees) necessary to enforce any violation... will be the responsibility of the Property Owner."* Going forward, our process for collecting late assessments after April 1 each year will be:

1. The attorney will send a letter to the offending owners, notifying them of the process and that they will be responsible for legal fees to collect the assessment. The owners will be charged attorney fees and costs in addition to the late assessment. No fee will be charged if the owners pay within two weeks of the letter.
2. We will file a lien on the property with the county court.
3. The attorney will pursue foreclosure of the property. The owner will also be responsible for attorney's fees and court costs.

The attorney cautioned us that if we follow the process as outlined, we *could* end up with a (foreclosed) piece of property which we would then have to sell. Commonly, when this happens, a neighbor buys the property at a discount. If there is a prior trust loan (mortgage deed), Aspen Rose's claim would come second.

Carolyn Reed reported that the proposed amendment to the ARR covenants passed easily (20 "yes" responses, 2 "no" responses, 2 owners in good standing who did not vote). Covenant XX. Effect of Non-Payment of Assessments shall now read, in part, *"On March 1 of each year, all unpaid annual assessments shall accrue a penalty of 10%."* Carolyn will now file the covenant change with Las Animas County. Based on the approved change, we discussed the process and dates for annual assessments as follows:

1. In November of the previous year, the Treasurer sends out invoices to all owners. The due date for payment is January 31.
2. In mid-February, the Treasurer will send reminder letters to those owners who have not yet paid.
3. On March 1, the 10% penalty and \$50 administrative fee are charged. The Treasurer sends a certified letter to owners who have not paid, giving them 30 days to comply before we begin lien proceedings (outlined above) on April 1.

A motion to accept the dates passed unanimously. The process and dates will be included in the Aspen Rose Ranch Policies and Procedures. The new wording will be reviewed and approved by the Board via email discussion.

Marty Gisclon moved. Terrie Baros seconded. Passed unanimously.

A motion was made to approve President Ted Hyneck to talk further with the attorney and to approve funds to file liens if necessary on the properties that are currently in arrears.

Terrie Baros moved. Sandy Parrish seconded. Passed unanimously.

Ted Hyneck presented the Road Report. The road from the County Road to the cattle guard has deteriorated—e.g., pot holes and areas of washboard. Ted spoke with Fred Baros (Water Works Plus) last week; Fred will provide 6-8 hours of surface repair to get us through the winter. Once spring arrives, we should be able to afford some gravel. Fred has also agreed to continue his snow plowing contract with Aspen Rose Ranch this year. Although he has raised his rates for other ranches in the vicinity, he will hold the rate at \$85 per hour this year.

Fred Baros presented the Grazing Lease Report. Our lessor, Jerimiah Hall, has agreed to continue his grazing lease for the summer of 2012. This past summer, Jerimiah brought in 40 pairs for 2 ½ months at the beginning of summer, rather than the 20 pairs in for 5 months as has been done in the past. (He then moved them to the Mendine pasture for the last half of the season.) Because it was extremely dry for those months in 2011, we *may* consider reversing the arrangement in 2012, but we will play that by ear next year. The Board approved Jerimiah's lease for next year at the same rate of \$15 per pair.

Marty Gisclon moved. Terrie Baros seconded. Passed unanimously.

No Complaint Committee Report was presented.

We next discussed a request for variance on a setback/easement. Covenant *IV Setbacks* and Covenant *VI Utility and Recreational Easements* were studied, and most of the Board members had physically visited the location in question. Mike and Paula Marsh are asking to build a small outbuilding very close to Whiskey Canyon Drive. The Board is concerned that we would be setting a precedent; on the other hand, we are sensitive to the reasons cited for the request. Whiskey Canyon Drive receives very little traffic, and the Marshes own two of the four properties along it. This is a fairly narrow canyon, with little flat ground on which to build. Their home building site is back against the hill, and locating this outbuilding close to the road allows for the best drainage as well as maximum sun to keep the snow from building up. The electric line that runs down Whiskey Canyon is on the other side of the road, so that should not be an issue. The Board is only willing to consider the waiver because Whiskey Canyon Drive is a secondary road; such a request on Aspen Rose Drive would not be approved. We agreed to approve the variance with the stipulation that the outbuilding must be at least 15 feet from the edge of the road (more if possible) and that the Marshes sign a waiver to be recorded and attached to the property, releasing Aspen Rose Ranch from any liability for damage due to road maintenance.

Marty Gisclon moved. Terrie Baros seconded. Passed unanimously.

Marty Gisclon reported that the standard insurance policy that protects the Board from claims of negligence has been renewed.

Terrie Baros reported that the required Annual Report was filed with the Colorado Secretary of State on October 22, 2011. Terrie also noted that when the new Annual Assessment procedures are added to the Policies and Procedures, we will mail out hard copies of only the revised pages to those members that request paper documents be mailed. Everyone else will receive an email with the entire updated Policy and Procedures document in PDF format. The new version of the Policy and Procedures will also be posted on our web site.

Carolyn Reed reminded the board that all board members are required to sign a "Conflict of Interest Acknowledgement" affidavit. All board members present signed the form, and it will be sent to Mike Marsh and Laura Brinkman for their signatures.

Ted Hyneck voiced his concern about temporary residences (e.g., small outbuildings, RVs, etc.). Although the Board does not want to be heavy-handed with owners about their personal property, we also do not want to allow Aspen Rose Ranch property values to deteriorate due to lack of control. After ample discussion, we agreed to put together a committee to clarify the issues. Ted Hyneck will chair the committee, but we don't want it to be made up of only board members. Mike Goodwin volunteered at the meeting, and we are asking other concerned owners who are not on the board to also volunteer. Please notify Ted (thyneck@dishmail.net) if you are willing to serve. This committee will be charged with addressing the following issues (and others at their discretion):

- What IS a temporary residence?
- What restrictions should be imposed on temporary residences (e.g., location)?
- Does the BOD need to approve a temporary residence before it is established on a parcel?
- How do other POAs handle temporary residences?
- Should RV storage be handled differently if you do/do not have a permanent residence on Aspen Rose?
- Clarify *Section III Dwellings* and *Section X Temporary Residences* of our covenants.

Based on a question from an out-of-state owner, Carolyn Reed asked that we discuss hunting on the ranch. Lee Gisclon and Fred Baros clarified that Colorado hunting laws require that you get permission from any land owners to hunt on their property; failure to do so is a felony. You should carry a permission slip from the land owner. Also, you are required to carry your license, even if you are on your own property. If you do have permission to hunt on parcels other than your own on Aspen Rose Ranch, please familiarize yourself with where other residents are on the ranch—e.g., people, dogs, horses, goats, etc. The Colorado Department of Wildlife has a robust web site (wildlife.state.co.us/Pages/Home.aspx) where you can get plenty of information.

The location for our next quarterly board meeting (January 21, 2012) was changed to the home of John and Sandy Parrish at Aspen Rose Ranch.

The meeting adjourned at 12:20 p.m.