

**MOUNTAIN RANCH ESTATES HOMEOWNERS ASSOCIATION**  
**ANNUAL MEETING MINUTES**

**TRAILSIDE PARK MEETING ROOM**

October 21, 2015

7:30 p.m.

1. **Welcome.** Anna Graf, current president, welcomed owners to the meeting with the current Board members Barbara Huggins, Cathy Campbell, and Anna Graf in attendance. The HOA Attorney, Curtis Kimble, was also in attendance.
2. **Establish Quorum.** A quorum of 33% of the MRE Owners, or 27 owners, was established with 25 properties represented by owners in attendance and 14 proxies.
3. **2015 Recap.** Anna Graf gave the 2015 recap as follows:
  - a. **Neighborhood Directory** – The HOA compiled a neighborhood directory by gathering information from those owners who chose to have their contact information shared with their neighbors. The completed directory was emailed to only those owners who chose participate. Directory forms were available at the meeting for members to fill out if so desired.
  - b. **Social** – The Social Committee is composed of the following members: Elaine Murray, Cheri Hassel, Beth Pettigrew, Holly Tripp, Kim Thompson, Janet LaPine, and Amy Bermes. The following social events took place, or are planned for the remainder of 2015.
    - 1) April's Special Meeting to discuss the (Architectural Review Committee) ARC process and the Annual Meeting food and drink
    - 2) Bowling event for children on May 22<sup>nd</sup> at Jupiter Bowl for end of school year celebration
    - 3) Block Party – Aidan Court, Sept 26<sup>th</sup>
    - 4) Progressive Dinner – November 14<sup>th</sup>
  - c. **Drainage** – A variety of drainage issues were resolved or are being reviewed as to who has the responsibility for the issue – the HOA or the county. One particular concern is that the common area pond that is filling up with silt. The HOA is working with the county on the status and maintenance of this pond. The drainage issues resolved include:
    - 1) Unblocking the drain at the trail bridge inside the MRE loop
    - 2) Lake Pettigrew – Drain located between the sidewalk and Trailside drive between 6115 and 6105 Trailside
    - 3) Raising the front of the Old Ranch Road entrance monument drain and filling in the north side ditch
    - 4) Cleaning out the west side pipe under Mountain Ranch Drive going into the pond
  - d. **Landscaping** – The Landscaping Committee is composed of the following members: Diana Hammock, Dave Gribbin, Janet LaPine, Rob Millard, and Lydia Kluge. The projects they worked on this year included:

- 1) Improving the Mountain Ranch Estates Entrances with rock work, trees, plants, mulch, and trimming the native grasses on the berms. The entrance signs were altered so that they are more visible during day as well as night. (An owner asked about installing stone on the shoulders between Old Ranch Road and Mountain Ranch Drive. This is in an easement that is the responsibility of the county so the Board has concerns about doing improvements in that area. Owners still asked that this project be considered. It was noted that this is not in next year's budget at this time.)
  - 2) Improving the landscaping at the four corners of Mountain Ranch Drive and Trailside Drive with rock work, additional plantings and mulch.
  - 3) Christmas Decorations
- e. Internet Committee – This Committee has been on hold this year because there were no volunteers to pursue the project. The Board will try to get a committee working on it again this year if there are volunteers for the committee.
- f. Transparency - One of the Board's goals this year was transparency so the Board meeting minutes were posted on website. Three owners said they had viewed the meeting minutes on the website.
- g. Architectural Review Committee – The Committee is composed of the following members: Lisa McGuire, Juliana Miller, Bob Drewes, Michelle Bittle, and Rich Meeboer. Anna Graf is the Board liaison.
- 1) The ARC process was revised this spring and a neighborhood meeting was held to discuss the revision. The revised process was approved by the Board at that meeting.
  - 2) Currently, the ARC Rules are in the process of being revised to have numbered references in order to organize it in such a way that it is easy to refer to various sections. The new ARC Rules will include the ARC process adopted in April 2015. The draft document was emailed to owners for comment on October 20, 2015. The ARC will continue working through the winter revising the ARC Rules and they will be presented to the neighborhood in the spring. This revision will ensure that the ARC Rules are in alignment with CC&Rs.
  - 3) An owner thanked the ARC for volunteering their time to this effort.
  - 4) An owner asked whether the costs of ARC review were being paid by the owners who submitted projects. Anna explained that costs directly related to the review of a proposed project were charged to the owner. However, there were extra professional architectural fees this year as a result of educating committee members on the review process and technical aspects of reviewing plans.
4. **Finances.** Anna presented the 2015 income and expenses and the 2016 budget. Some of the highlights were:

- a. There were unplanned ARC costs this year related to paying a professional Architect to help review project plans and help the Committee members understand and review plans. The professional Architect fees had not been anticipated when the 2015 budget was adopted. These architectural fees should be reduced next year with a trained ARC going forward.
  - b. There were landscape improvements at a cost of \$30,000 approved by the Board.
  - c. The Miscellaneous expense line item includes staining the mail kiosk and fences, meeting room rental, and a bulletin board installation at the mail kiosk. Owners can submit items to the HOA Administrator to be posted inside this locked bulletin board case.
  - d. The HOA Management Fee will increase. In addition to managing the basic HOA matters, the HOA Administrator will also be responsible for ARC record keeping, correspondence, minutes, etc. These increased responsibilities are reflected in the increased monthly fees.
  - e. There were legal fees spent for legal responses to owners concerning ARC projects and the governing document revisions. The attorney is on retainer but there are also hourly costs.
  - f. No large landscape improvement projects are anticipated next year.
  - g. The annual HOA dues will remain the same for next year at \$625.
5. **Bylaws.** There are three proposed amendments to the Bylaws. The Bylaws can be amended by a majority vote of the quorum at a meeting of the members. The meeting has a quorum so the amendments were discussed and voted on as follows:
- a. Bylaw Amendment #1: 4.1 Number. The affairs of this Association shall be managed by a Board of between three (3) to five (5) trustees, subject to increase or decrease by a vote of the Members at an annual or special meeting of the Association. All members of the Board shall be Members.
    - 1) Back in 2007, the HOA membership voted at the annual meeting to increase the Board members required from three to five. There was a concern that a Board quorum of two could make decisions for the community if a Board had only three members. An owner commented that there is a broader thought process with more board members. There was a lengthy discussion of the actual wording of the proposed amendment.
    - 2) Michele Luke made a motion that board members have to be full-time residents. This motion was seconded. Defining full-time resident was discussed at length. It was agreed that a legal definition is needed to pursue this requirement and this definition was not immediately available. Therefore, Michele removed her motion from the floor.
    - 3) Anna presented some of the findings of the July 2015 Nominating Committee report that recommended a three person board (attached). A few of the facts noted were: there are 17 second home owners or lots that are vacant: 21 owners had already served as board members since 2007; over 67% of those who served have resigned; 12 to 16 owners are needed but not required to serve on various Committees leaving a small pool of owners left to serve on the Board.
    - 4) After a lengthy discussion, the following motion was made and seconded: "The affairs of this Association shall be managed by a Board of a minimum of 3 and a maximum of 5 trustees, subject to increase or decrease by a vote of the

Members at an annual or special meeting of the association. All members of the Board shall be Members.” A majority of the members in attendance and those represented by proxy approved this motion.

- b. Bylaw Amendment #2 – “4.3 Removal/Resignation. Any trustee may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a trustees, his successor shall be selected by the remaining members of the Board to serve until the next annual meeting, at which a successor shall be elected by the Members to serve. The Board shall determine the length of the terms of Board members elected at such an annual meeting so that, thereafter, one Board members is elected each year to a three year term pursuant to Section 4.2.” A motion was made and seconded for approval of this proposed Bylaw amendment and it was approved by a majority of the members in attendance and those represented by proxy.
  - c. Amendment #3 – 13.2 Approval Required. It is proposed that this section of the current CC&R’s be deleted. This section requires the approval of first mortgage holders for a number of important decisions related to the HOA’s function. A motion was made and seconded to delete this section of the CC&R’s. It was approved by a majority of the member in attendance and those represented by proxy.
6. **Approval of ARC Rules Adopted in April 2012.** A motion was made and seconded to formally approve the Architectural Rules adopted in April 2012. The motion was approved by a majority of the members in attendance and those represented by proxy.
7. **ARC Rules Revision Highlights.** This report was given by Lisa McGuire.
  - a. A formal ARC Rules document will be presented to the members in early spring 2016. There will be a meeting to present and discuss the new ARC rules and the board will approve them at that meeting. The newly adopted rules will stand unless 51% of the HOA members oppose them.
  - b. ARC is trying to improve the rules and eliminate any gray areas. ARC feels that the wording allowing 45 days from the time of submittal to HOA approval is somewhat unrealistic. With a new build there may be a lot of discussion related to design and materials to be used so this process may take longer than 45 days. There was a comment that both sides (ARC and proposing owner) have to be accountable in responding to requests for clarification during the review process. A new home builder in attendance commented that her review took too long and that the checklist used for review was unreasonable. Lisa noted that some of the problems resulted when information came in to the ARC in pieces and the paperwork didn’t match other paperwork when there were re-submittals. One owner commented that in Promontory or the Colony new homes are approved in 45 days and thought MRE’s timeframe should be similar. Another owner thinks the HOA should pay an architect to review and approve new home plans rather than have the ARC involved. There was a heated debate over this topic.

- c. An initial draft of the new ARC rules was emailed to all owners and the ARC asks owners to read this document carefully and provide comments to ARC.
  - d. More ARC members are needed. A sign-up sheet was available.
8. **Board Member Election.** Anna Graf and Cathy Campbell will continue to serve the last year of their Board terms. Only Elaine Murray and Michelle Bittle have volunteered to run for Board positions. Shawn Hassel made a motion to elect them to the Board and David Teasley seconded it. A majority of the quorum in attendance and those represented by proxy voted to elect them to the board for 3 year terms so the motion passed.
9. **CC&R Amendment Presentation.** Anna briefly reviewed each proposed CC&R amendment (see attached ballot). The ballot was distributed last week to HOA members for a vote. Anna answered questions and there was some discussion as noted below.
- a. Amendment #3 – There was a question about why allowing “public” parks wasn’t being removed from the CC&R’s. This owner does not want to allow public parks in MRE. There were questions about why equestrian use on the trails was being proposed to be removed. It was noted that horses were a liability concern and make huge ruts on the trail. Others liked the idea that MRE owners could ride horses on the trails.
  - b. Amendment #6 – One owner thought this section should be removed because all structures in home are not considered “natural”. Perhaps a list of what defines “natural” should be provided. It was suggested that perhaps this information should be in the ARC rules instead.
  - c. Amendment #7 – There was a suggestion to change the allowed fence height to 5 feet.
  - d. Amendment #8 – There was a suggestion to provide further detail as to the required depth of the stepped terraces but perhaps this should be in the ARC rules instead?
  - e. Amendment #9 – No comments by owners.
  - f. Amendment #10 – No comments by owners.
  - g. Amendment #11 - No comments by owners.
  - h. Amendment #12 – There were various comments pro and con about sidewalk snow clearing.
  - i. Amendment #13 – One owner thought the added word “any” was too strong a word. Someone commented that owners could make changes by getting ARC approval.
  - j. Amendment #16 – One owner thought that airsoft guns should be allowed and this added language was over-reaching. Barbara Huggins commented that there were incidents of children being killed by airsoft guns.

- k. Amendment #17 – One owner thought this amendment was ridiculous and too vague. Someone mentioned that requirements for rain barrels should be addressed.
- l. Amendment #18 – One owner did not like the term “pleasure of the board” but felt ARC members were “serving the community”, not the Board. Curtis Kimble, attorney, noted that this phrase meant that the ARC was appointed by the board.
- m. Amendment #19 – There were comments that this section gives too much power to the board and this involvement keeps the ARC from performing their duties of interpreting the rules, making decisions about approvals, and moving forward with projects. There were comments that the Board should only be involved in ARC reviews if there is a legal issue. Curtis Kimble stated that the Board members are the elected representatives of the HOA and have a fiduciary duty and responsibility for the affairs of the Association. The ARC is appointed by the Board, not elected.
- n. Amendment #20 – No comments by owners.
- o. Amendment #21 – No comments by owners.
- p. Amendment #22 – One owner commented that the added language seems meaningless. Curtis Kimble explained that this section gives the ARC some discretion in determining what landscaping can, and should be, installed based on the topography of the lot.
- q. Amendment #23 – No comments by owners.

10. **Adjourn.** The meeting was adjourned at 10:15 p.m.

**APPROVED.**

Anna Graf  
PRINTED NAME

January 9, 2016  
DATE

[Signature]  
SIGNATURE