



Included with these minutes are the ballot and instructions for voting on the revised Covenants that are set to expire at the end of 2015. The Covenants Committee met several times and made recommendations to the Board which took them to the attorney for his full review and recommendations. The Board has finalized the wording to present to owners on several sections while leaving several other sections unchanged. It is **urgent that we get ballots returned in a timely manner** in order to ensure that we have Covenants in place for the future. Your help in this effort will be appreciated.

ANNUAL MEETING MINUTES - 7/11/2015

Dear LPPO Property Owners:

These are the minutes of the LPPO Association **Annual Meeting** that was held at 1 PM on 7/11/2015 at the Hermosa Cliffs Fire Station.

The **Annual Meeting** was called to order at 1:06 PM.

Secretary Doug Scott indicated a quorum was achieved. Board Members present were Buddy Floyd, Jonathan Westlund and Jim Melot. Also present was Secretary-Treasurer Doug Scott. Board Members Tom Clutinger and Jon Ickes were absent. Tom is in California and Jon's work duties did not permit him to get to the meeting. Owners present were Harvey Becker, Laura Melot, Linda Logan, Sharen Rawes and Ron Huijsman. Since the President and Vice President were both absent, according to the By-Laws, the Treasurer, Doug Scott presided at the meeting.

The meeting was called to order at 1:06 PM. The minutes of the previous Annual Meeting on July 12, 2014 were approved as published following a motion by Jim Melot and seconded by Jonathan Westlund.

President's Report: Tom Clutinger sent a report to Doug Scott who read the report at the meeting. The contents follow:

Budget

I'm pleased to report that the LPPO was able to operate this past fiscal year very close to its forecast budget and did not encounter any significant unforeseen issues to throw us off track. Doug will provide the details in his Treasurer's Report.

Snow Removal

Our hired snow removal company, Snow Monkey, LLC., provided another season of timely and dependable service. Our community is grateful to the Sean McCormick's entire team, who answer our calls for service often around 4am, we are lucky to have such good service from people, who we also call our friends and neighbors. The LPPO voted to continue our service with Snow Monkey, LLC for the 2015 -2016 Winter season.

Road Maintenance

Our hired road maintenance company, AJ Construction, provided their services last year within forecast budget and as specified by our Road Committee, who will provide greater detail in their report. The main concern voiced to the board was that the maintenance didn't start until late July and that the road was in bad shape for the busy first half of the summer season. This year we requested for service to begin several weeks earlier, however the extremely rainy weather in May unfortunately set us back into July once again. In defense of AJ Construction, this year's delayed start was beyond their control. Finally, I'm pleased that we are making concerted efforts each year to improve the overall quality of the road and that the targeted improvement projects are making a difference.

Bark Beetles

I'm very happy to report that our community has really gotten on board to join forces in fighting the destructive bark beetles attacking our Douglas Fir & Spruce trees. This spring we ordered 1000 MCH pheromone packets, designed to drive the beetles away from healthy trees, and we sold 960 of 1000. These packets were applied to a total 26 lots in our community. I would specifically like to thank the volunteers that offered to apply the packets to lots where the owners were unable to apply for themselves.

CWPP – Community Wildfire Protection Plan

In an effort to cover all bases, I'm restating the annual education statement, as my report regarding the efforts underway toward development of a CWPP for our community. I'm doing this because I'm aware that this statement may not have made it into all of the annual meeting mailings – (mine for instance). I would like to note that this coming year I hope to get ALL owners involved in this project. I firmly believe that we have a great opportunity to make a real difference for our community by working together within the context of the CWPP, to form a collective vision that guides the future health, safety and wellbeing of our community and the forest we live in.

Annual education statement as required by Colorado statutes:

During this past year the LPPO Board decided to initiate the process of developing a Community Wildfire Protection Plan - (CWPP). The CWPP enables a community to plan how it will reduce the risk of wildfire. The plan identifies strategic sites and methods for fuel reduction projects across the landscape and jurisdictional boundaries. Benefits of having a CWPP include National Fire Plan funding priority for projects identified in a CWPP. The United States Forest Service and the Bureau of Land Management can expedite the implementation of fuel treatments, identified in a CWPP, through alternative environmental compliance options offered under the Healthy Forest Restoration Act (HFRA).

The minimum requirements for a CWPP as described in the HFRA are: (1) Collaboration: A CWPP must be collaboratively developed by local and state government representatives, in consultation with federal agencies and other interested parties. (2) Prioritized Fuel Reduction: A CWPP must identify and prioritize areas for hazardous fuel reduction treatments and recommend the types and methods of treatment that will protect one or more at-risk communities and essential infrastructure. (3) Treatment of Structural Ignitability: A CWPP must recommend measures that homeowners and communities can take to reduce the ignitability of structures throughout the area addressed by the plan.

The collaborative process of creating a CWPP brings together the mutual interests and concerns of the community, fire department, forest service and local government. The outcome of creating a CWPP is a comprehensive plan of action to preserve the long-term health, safety and wellbeing of the people and property within community, as well as its surrounding environment. Creating a formal plan also elevates the sincerity and integrity of the community, thereby increasing its priority to receive state and federal funds for fire mitigation and forest preservation projects. It was also specifically noted that having a CWPP in place enhances property value and keeps insurance costs down.

The LPPO Board encourages community wide involvement throughout the CWPP process and intends to share important relevant information on a timely basis, along with asking for your opinions and help, so that our plan is a reflection of our community values. (End of President's Report).

Treasurer's Report: Doug Scott reviewed the Profit and Loss and Balance Sheet reports that were handed out, pointing out that the budget came in below the estimate that was made at the beginning of the fiscal year. Some of the reasons were that we had no attorney fees, we received transfer fees from three property sales, and certain other expenses were lower. Jim Melot requested that the accountant furnish the Profit and Loss statement for the previous two years side by side to give better visibility. Also, it is desired to place all of the snow plowing in one section for easier understanding of the numbers.

Harvey Becker wondered why the original price of the items the Association owns are shown instead of market value prices. Doug Scott will ask the accountant about this to see if there is a legal requirement to report things

one way or the other. (Note: The accountant told the Treasurer previously that when a property owned by the association is sold, we would need to know the original price in order to show profit or loss).

Covenants Committee Report – Doug Scott reported that since the Covenants expire at the end of this calendar year, the committee held meetings to consider revisions. The Board reviewed the recommendations of the Committee, including having the attorney look at the wording changes recommended along with the a review of the entire document to see if there is legal wording that needs to be updated. Discussion about the Covenants led to the agreement for the Board to provide the changes to the membership to review and comment to the Board about them before they are finalized. The changes being considered are included with these minutes.

Road Committee Report – Harvey Becker reported that the road estimate was about \$3,000 less than last year. An experiment will be tried this year in places where the road gets potholes on a regular basis. This will involve spreading some clean gravel on top of the road base and rolling it in to see if it will mitigate some of these areas. Some small trenches will be added across a few driveways to try to get the water that has been coming onto the road to go into the ditch.

Fire Safety Committee – Doug Scott reported that LPPO has discussed expanding the CWPP described in Tom Clutiger's President's message to include the Road Association properties. Grants are available to help pay for fire mitigation. The road right of way would likely be the first area to tackle. The FireWise Council of Southwest Colorado pointed out that if property owners allowed mitigation on the front parts of their properties, the effect would be like having a fire break where the road is located. Rebates are available for wood chipper rental up to 50% of the cost with a maximum of \$100 rebate per individual. Associations can get rebates of up to \$500.00.

Another issue FireWise mentioned is needed is places for fire trucks to turn around if there is a fire in the area.

Discussion of the CWPP issues brought out the suggestion that the Board consider having part of the assessment earmarked for FireWise projects. The Board would need to consider several factors such as grants that would help pay for part of some of the CWPP projects. Some grants allow hours worked by property owners on CWPP projects to count for a percentage of the out of pocket costs to the Association. Getting the costs first before looking at the options is important from a fiduciary standpoint.

Election of Board Members for 2015-16 and By-Laws changes voting by proxys

Doug Scott appointed Sharen Rawes and Harvey Becker to count the ballots. When they returned with the results, the meeting was re-started, and Doug Scott reported that the winners of the election are Tom Clutinger, Jon Ickes, Buddy Floyd, Jim Melot and Johnathan Westlund. The By-Laws vote was 28 in favor and 4 against.

Feedback from property owners to the Board

Linda Logan noticed that there is some orange material that she thought might be a type of tubing that could have lead in it, and it would need to be removed if that were the case. (Note: Doug Scott and Buddy Floyd checked this material out and found that it was potable water line that was PVC material around an aluminum tube, and therefore harmless).

The new By-Laws change will allow those property owners whose properties were already consolidated to be grandfathered in and continue to pay one fee and receive one vote for the consolidated property. These owners

will have the option to either pay one fee and get one vote or to pay another the fee for the consolidated portion of the property and get the vote for that property. (Half lots consolidated would get half votes in this case.

Ron Huijsman stated that since he and Hans Van Der Leden have been trying to get their consolidations completed for some time, that they be given these options. If the county had performed its function in a timely manner their properties would already be consolidate. Doug Scott stated that the Board will need to make this decision, and that it will be on the agenda of the first Board Meeting when the Board elects its officers for the next year.

A motion by Jim Melot seconded by Jonathan Westlund to adjourn prevailed at 2:28 PM.

Enclosures: Profit and Loss Statement

Balance Sheet and Profit and Loss statements

Approved Budget

List of owners names and addresses

Copy of proposed revised Covenants (changes in red typeface)

Ballot for voting on Proposed Revised Covenants

Note: These minutes (and all minutes of all Board Meetings) will be placed on the LPPO.ORG website on the "Meetings" page. Board Meeting announcements will also be placed on the site on the "Announcements" page and sent via email to all property owners who have given the Board their email addresses.

Since there were two Board Members absent, the meeting to elect officers was cancelled. It will be scheduled within ten days of this meeting.

Respectfully submitted,

Doug Scott, Secretary-Treasurer