

DALLAS MEADOWS COMMUNITY ASSOCIATION

2016 ANNUAL MEETING REPORT

Annual meeting is scheduled for:

Wednesday - 12/14/16

Ouray County 4- H Center

6:00 PM

2016 DMCA ANNUAL MEETING

12/14/16

TABLE OF CONTENTS

1. DMCA OFFICER - CONTACT INFORMATION
2. PRESIDENT- STATE OF THE DMCA
3. UPDATE ON LITIGATION
4. V.P.- UPDATE ON LOT 11
5. DMCA - STATE FILINGS CERTIFICATIONS
6. SECRETARY-REAL ESTATE & COUNTY ORDINANCES UPDATE
7. DMCA BOARD RESOLUTIONS - (MARIJUANA & COMMUNICATION TOWERS)
8. TREASURER REPORT
9. WATER COMMITTEE REPORT
10. INSURANCE REPORT
11. ARCH GUIDELINE COMMITTEE REPORT
12. PROXY
13. OTHER

DALLAS MEADOWS COMMUNITY ASOCIATION

2016 ANNUAL MEETING REPORT

12/14/16

OFFICERS

President

Gordon Mull - 970-626-3342 / gmull.dynamicfire@q.com

V. President

Vince Snowbarger – 970- 318-3510 / vincesnowbarger@msn.com

Secretary

Judi Snelling – 970 318-8437 / judisnelling@ouraynet.com

Treasurer

John Young - 970-626-5044 / johnorglenda@q.com

COMMITTEES

Arch Guideline Committee Chair

Bill Lindler- 970-318-1367 / bill.lindler@msn.com

Insurance Committee

Lysa Riggs - 970 626-9796 / 727-858-1416 / lysariggs@gmail.com

Water System & Quality Committee

John Young - 970-626-5044 / johnorglenda@q.com

Larry Benasutti - 970-626-5099 / mrlock40@hotmail.com

DMCA Annual Meeting 2016 - Summary Report

Notice to all residents and property owners in

Dallas Meadows Community Association

President's Report-State of the DMCA

Overview:

Here it is another year and we have seen our Association continue to attract new members either through a purchase or change in ownership. Some have also started construction of their new residence. There remains some design and construction issues related to compliance with the Architectural Guidelines and our Declarations. I am hopeful that these will be resolved with the individual owners of these Lots. I encourage everyone to read the newly adopted "Common Interest Community Declaration" of the DMCA to fully understand the intent of Article 8, "Restrictions on Use, Alienation, and Occupancy" and Article 10, "Additions, Alterations and Improvements". Please note, if you ever have a question regarding any section of the Declaration, please call any Board Member or Architectural Review Committee member. They are glad to go over any item or concern you may have.

This year is an election year for several positions on the DMCA Board. I hope that anyone interested in running for one of these positions make their interest known. The Association cannot operate without dedicated individuals who have a desire to help maintain the quality of life we have come to enjoy and tried to maintain here in Dallas Meadows.

I regret that two of our Board Members have decided not to run for another term. Judi Snelling has informed me that she will not continue her position as Secretary. I have also been notified that Lysa Riggs has decided to resign her position as an Officer of the Board. We should all take the opportunity to personally thank both Judi and Lysa for their time and dedication to the Board.

I want to personally thank them both for their service. They will be greatly missed. They both contributed so much of their time that I can't begin to thank them enough. Best wishes to you both.

DMCA – Overall Operation and Financial Position:

The Board continues to review our level of income in response to our current and future financial responsibilities. We are realizing approximately 65-70 percent of our annual revenue in the first quarter of the fiscal year. This continues to help the Association manage our financial responsibilities and some unforeseen costs associated with repairs and maintenance.

As to current and future liabilities, I have a concern related to future costs for attorney fees for the lawsuit between the DMCA and Mr. Valentine. While we have been successful in securing our "Order Granting Motion for Summary Judgment" we will continue to incur periodic legal fees in responding to his appeal. As I indicated last year we are very close to a final judgment.

I feel the DMCA continues to operate on a relatively positive financial basis. However, due to our current fixed income revenue total, the Board continues to actively review the need for an assessment. If our financial needs were to change relative to the appeal and other unforeseen costs such as the recent fire hydrant leak this could change.

One operating cost we are anticipating this next year will be the inspection of the interior water storage tank surface. This will need to be performed early this next spring. Based upon the inspection there could be additional costs for resurfacing the interior of the tank if it becomes necessary.

This cost would be realized in the first or second quarter of calendar year 2017. The Board is reviewing options for this cost without the need for an assessment. If legal fees were to continue beyond our forecasted budget or the water tank requires resurfacing and the total cost exceeds our annual revenue the need to initiate an assessment may become real.

DMCA – Summary of Valentine Lawsuit:

The status of the lawsuit is in its final stages. We have been awarded our "Order Granting Summary Judgment". Liens have been filed on our behalf and our attorney is preparing his response to the appeal filed by Mr. Valentine. I remain confident Mr. Pfeifer continues to represent the DMCA with the best of intentions.

The Board has notified Mr. Valentine that he had 30 days to remove or assume the rental fees for the storage unit where the remains of his wooden structure and other personal items are stored. As of November 16, 2016, the items currently being stored will be removed and discarded if Mr. Valentine has not taken position of them.

If this occurs, I would ask for volunteers to assist with helping the Board remove and discard these items. The use of a trailer large enough to haul and dispose of the contents has been offered. This will help to minimize costs associated with disposing these items.

My Thanks:

I want to take this opportunity to thank each individual Board Member for another year of service and dedication. I know it is not easy to take the time to meet and carry out each of the tasks that you individually took upon yourself this year as a Board Member. You all deserve the thanks and gratitude of each DMCA Member. I ask the Association to take a moment to express their gratitude to you individually and as the Board. I personally can't begin to express how grateful I am. Each of you openly contributed your time, experience and personal knowledge to help resolve many of the issues that were presented to me, the Board and the Association.

Thank you, we are still a great team!

Your desire to do what is best for the DMCA was always in the best interest of all.

I hope to see all our members at the annual meeting.

Respectfully,

Gordon Mull

DMCA – President

Vice President's Report

As we began this calendar year, the status of Lot 11 was uncertain. DMCA had significant liens against the property for unpaid dues and fines due to the property's former condition and failure of the previous owners to correct the problems. The property was in foreclosure. Early attempts to purchase the property during the foreclosure were unsuccessful. In mid-March the property was sold in the foreclosure process to Jason Klonoski. The status of DMCA's unpaid fines and dues was in question. The lien was extinguished by the foreclosure, but our attorney indicated a new lien could be filed for at least part of the amount. After several months of negotiations, DMCA reach agreement with Jason Klonoski on an amount to satisfy the unpaid amount while encouraging Mr. Klonoski to refurbish the property.



Colorado Secretary of State
 Date and Time: 02/24/2016 04:17 PM
 ID Number: 19961026987

Document must be filed electronically.
 Paper documents are not accepted.
 Fees & forms are subject to change.
 For more information or to print copies
 of filed documents, visit www.sos.state.co.us.

Document number: 20161137940
 Amount Paid: \$10.00

ABOVE SPACE FOR OFFICE USE ONLY

Periodic Report

filed pursuant to §7-90-301, et seq. and §7-90-501 of the Colorado Revised Statutes (C.R.S.)

ID number: 19961026987

Entity name: DALLAS MEADOWS COMMUNITY ASSOCIATION

Jurisdiction under the law of which the
 entity was formed or registered: Colorado

1. Principal office street address: 151 Uncompahgre Ct
(Street name and number)

RIDGWAY CO 81432
(City) (State) (Postal/Zip Code)
United States
(Province - if applicable) (Country - if not US)

2. Principal office mailing address:
 (if different from above) PO Box 853
(Street name and number or Post Office Box information)

Ridgway CO 81432
(City) (State) (Postal/Zip Code)
United States
(Province - if applicable) (Country - if not US)

3. Registered agent name: (if an individual) Mull Gordon
(Last) (First) (Middle) (Suffix)
 or (if a business organization)

4. The person identified above as registered agent has consented to being so appointed.

5. Registered agent street address: 151 Uncompahgre Ct
(Street name and number)

Ridgway CO 81432
(City) (State) (Postal/Zip Code)

6. Registered agent mailing address:
 (if different from above) PO Box 853
(Street name and number or Post Office Box information)

Ridgway CO 81432
(City) (State) (Postal/Zip Code)
United States
(Province - if applicable) (Country - if not US)

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the secretary of state, whether or not such individual is named in the document as one who has caused it to be delivered.

7. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

<u>Snelling</u>	<u>Marcia</u>	<u>Judith</u>	
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
<u>P.O. Box 602</u>			
<i>(Street name and number or Post Office Box Information)</i>			
<hr/>			
<u>Ridgway</u>	<u>CO</u>	<u>81432</u>	
<i>(City)</i>	<i>(State)</i>	<i>(Postal/Zip Code)</i>	
<u>United States</u>			
<i>(Province - if applicable)</i>		<i>(Country - if not US)</i>	

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals)

Disclaimer:

This form, and any related instructions, are not intended to provide legal, business or tax advice, and are offered as a public service without representation or warranty. While this form is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form. Questions should be addressed to the user's attorney.

Judi Snelling

From: Colorado Department of State [business@sos.state.co.us]
Sent: Wednesday, February 24, 2016 4:18 PM
To: judisnelling@ouraynet.com
Subject: Receipt

Colorado Secretary of State
File Report receipt

www.sos.state.co.us

Thank you for using our online services. Here is the receipt for your transaction.

Name	DALLAS MEADOWS COMMUNITY ASSOCIATION
ID number	19961026987
Document number	20161137940
Payment type	CREDIT
Last 4 digits	0997
Amount paid	\$10.00
Date and time	02/24/2016 04:17 PM

Colorado Secretary of State | Business Organizations | 303-894-2200, option 2 | business@sos.state.co.us

2016 ANNUAL MEETING-SECRETARY REPORT

My Annual Reports, as Secretary, have been two-fold (Real Estate Update & Legislative Update):

2016 REAL ESTATE UPDATE –Dallas Meadows Subdivision

No lots sold in 2016. Only 1 house sold in 2016.

Num	MLS #	Address	Area	Price	Apx. SF	Acres	DOM	LP	\$/Apx.Tot SF	SP	\$/Apx.Tot SF
704270		227 Dallas Court	Ouray County	\$580,000	3,753	4.17	564	\$649,000	\$172.93	\$580,000	\$154.54

See attached sheet for current for sale properties (both residential & land).

LEGISLATIVE UPDATE –County & State

The 2016 Legislative Update is a summary of any State or County legislative issues /regulations or zoning changes that might affect the DMCA & member properties. 2016 Board actions are included.

Dallas Meadows is in unincorporated Ouray County. Ouray County has passed three (3) resolutions & ordinances in 2015 & 2016 that can affect Dallas Meadows subdivision & DMCA are the following

The Full ordinance & regulation can be found on <http://ouraycountyco.gov>

See summary content below:

MARIJUANA GROW OPERATIONS

(9) Marijuana cultivation facilities may only be located on a legal, conforming lot in unincorporated Ouray County where farming and ranching is a use by right pursuant to the Ouray County Land Use Code; however, no cultivation may occur without a license under this Ordinance. No cultivation facility may be located within 1000 feet of a school or licensed day care/child care facility. All cultivation activities shall occur within an enclosed space, and shall be subject to all security requirements imposed by this Ordinance and by state law and regulations. No cultivation activities will be permitted outside a building, greenhouse or other enclosed space. Applicants must demonstrate that the proposed location of the cultivation facilities on the lot will minimize offsite impacts of the facility: 1) to adjacent residents or properties; 2) on traffic congestion on local streets and roads; 3) of odor, light, and noise; 4) visually. Applicant shall demonstrate that the proposed operation meets the general criteria of the Special Use Permits Section of the LUC. Applicants must demonstrate that the proposed facility is in general conformance with the Ouray County Master Plan, and can be constructed and operated in a manner that is compatible with adjacent property uses.

In the 2015 Annual Report, the Board reported on the commercial marijuana grow issue. The DMCA Board has passed a resolution prohibiting Commercial Marijuana operations in Dallas Meadows (see attached Resolution).

COMMUNICATION TOWERS

C23.2 PERMITTING AND ZONING: A. Communications facilities are permitted in all zoning districts, subject to the provisions of this Section with a Communications Facility Permit (CFP) as provided for in this Section. B. All new communications facilities and modifications to existing facilities shall obtain approval and/or permitting as

provided for in this Section. Approval shall be initiated by submittal to the Department of a Communications Facility Permit Application. C. A separate Special Use Permit is not required. D. The County may approve permits for new communications towers and facilities with a duration not exceeding a period of up to 20 years. Adopted by the Board of County Commissioners on June 21, 2016 Section 23 – Communications Facilities Page 2 of 11 (23.2) E. Applications will be processed within the timeframes established by Fed Communication Towers

The DMCA Board has passed a resolution prohibiting Commercial Communication Tower operations in Dallas Meadows (see attached Resolution).

NEW ORDINANCE -BED AND BREAKFAST (SHORT TERM RENTALS)

Filed 9/14/16. Posted on County web site 11/8/16

Short Term Rental Permitting

OThe Ouray County Board of County Commissioners recently adopted Ordinance 2016-002 affecting Short Term Rental (STR) operations in unincorporated Ouray County. Effective January 1, 2017, all property owners currently engaging in, or desiring to engage in, the short-term rental of a legal residence in unincorporated Ouray County, must apply for a Short-Term Rental Permit with the Land Use Department.

Excerpts from the Ordinance:

WHEREAS, the Ouray County Land Use Code (LUC) contemplates a number of accommodation options in Ouray County, including bed and breakfast establishments, lodges, guest ranches, hotels, and resorts, none of which are uses by right in any zoning district in Ouray County; and

WHEREAS, increasing numbers -of single-family dwellings and accessory dwellings in Ouray County are being used for short term rental to visitors as vacation accommodations; and

WHEREAS, the Colorado courts have considered the nature of short term rental of residential properties and generally have concluded that short term rentals are not commercial in nature for purposes of zoning or covenant restrictions;

Section 5. Definitions. Short term rental is defined as the rental of a single-family dwelling Or accessory dwelling, or any portion thereof, for not more than thirty (30) days, where no meals are served Or provided to those leasing Or renting the dwelling space.

Section 6. Where Permitted. Short terms rentals may be permitted as a special use in any zoning district permitting residential use as a use by right and subject to the terms and conditions of this Ordinance. Ordinance 2016-002 • Page 1 of 5 Section

7. Application Process and Requirements. The first time that a property owner engages in Short Term Rental of a property, the owner shall apply for a Short Term Rental Permit from the Land Use Department. The following requirements shall be applicable to all Short Term Rental properties: a. Homeowners' Association Notification. In the event that a proposed Short Term Rental is part of a PUD or common interest community and there is a Homeowners' Association, the Applicant shall submit documentation with the Short Term Rental Permit application, showing that notification of the pending permit has been made to the appropriate HOA/ACC

The new County ordinance was passed & filed on 9/14/16. The full document can be found on the County web site @ <http://ouraycountyco.gov/DocumentCenter/View/9147>. As Reference: The new 2014 DMCA Covenants (that were presented & voted on at the 2014 Annual Meeting, were ratified in 1/15 & filed with the County in 11/15) allow limited Bed & Breakfast-short term rentals in Dallas Meadows.

**Resolution of the Board of Directors
Regarding Commercial Marijuana**

A RESOLUTION of the Board of Directors of Dallas Meadows Community Association (“DMCA”) made and entered into this ____ day of November, 2016 and effective immediately.

RECITALS

WHEREAS, the State of Colorado has created a regulatory framework by which Marijuana may be cultivated and grown for commercial purposes;

WHEREAS, the County of Ouray has also adopted a method of approval for commercial marijuana cultivation and sale operations;

WHEREAS, all lots owned in the Dallas Meadows Community Association are subject to that Amended and Restated Common Interest Community Declaration of the Dallas Meadows Community Association recorded at Reception Number 215247 of the Ouray County, Colorado Public records (the “Declaration”);

WHEREAS, the Board of Directors wishes to clarify the provisions of the Declaration as they relate to commercial marijuana operations within DMCA;

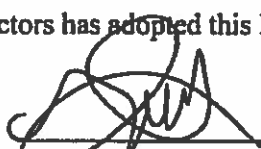
NOW THEREFORE, the Board of Directors hereby adopts the following resolution:

RESOLUTION

- 1. Notwithstanding provisions of state or local law, the Declaration does not permit any commercial marijuana operations of any kind on any lot subject to the Declaration.**
- 2. Section 8.2 of the Declaration outlines “prohibited uses.” Those prohibited uses include any “commercial and/or manufacturing business” (8.2.1), any “commercial activities” (8.2.5) and any “unlawful use” (8.2.8).**
- 3. The Declaration further clarifies that the prohibition of any unlawful use requires that lot owners (and their invitees or licensees) shall comply with “all applicable laws and regulations of the United States...” (8.2.8).**
- 4. The Board finds that such provisions clearly prohibit any commercial marijuana operations within any lot of the DMCA, notwithstanding state or local laws or rules to the contrary.**

5. The Board further finds that violations of the above cited prohibitions would constitute major violations of the Declaration, as such uses would change the character and nature of the DMCA. The Board intends to impose fines and penalties upon any violators of such provisions in accordance with such determination, in addition to pursuing any or legal remedies available to the DMCA, including injunctive relief and other damages, costs, fees, including attorney fees.

IN WITNESS HEREOF, the Board of Directors has adopted this RESOLUTION this 7 day of November, 2016.



Gordon Mull, President



Judi Snelling, Secretary

Resolution of the Board of Directors

Regarding Commercial Communication Facilities and Towers

A RESOLUTION of the Board of Directors of Dallas Meadows Community Association ("DMCA") made and entered into this ____ day of November, 2016 and effective immediately.

RECITALS

WHEREAS, the State of Colorado has created a regulatory framework by which communication facilities and communication towers may be used for commercial purposes;

WHEREAS, the County of Ouray has also adopted a method of approval for communication facilities and towers;

WHEREAS, all lots including Lot 21 owned in the Dallas Meadows Community Association are subject to that Amended and Restated Common Interest Community Declaration of the Dallas Meadows Community Association recorded at Reception Number 215247 of the Ouray County, Colorado Public records (the "Declaration");

WHEREAS, the Board of Directors wishes to clarify the provisions of the Declaration as they relate to commercial communication operations and commercial communication towers within DMCA;

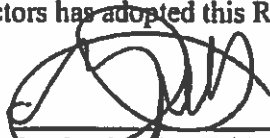
NOW THEREFORE, the Board of Directors hereby adopts the following resolution:

RESOLUTION

1. Notwithstanding provisions of state or local law, the Declaration does not permit any commercial communication facilities or commercial communication towers of any kind on any lot including Lot 21, subject to the Declaration.
2. Section 8.2 of the Declaration outlines "prohibited uses." Those prohibited uses include any "commercial and/or manufacturing business" (8.2.1), any "commercial activities" (8.2.5) and any "unlawful use" (8.2.8).
3. The Declaration further clarifies that the prohibition of any unlawful use requires that lot owners (and their invitees or licensees) shall comply with "all applicable laws and regulations of the United States..." (8.2.8).
4. The Board finds that such provisions clearly prohibit any commercial communication facilities or commercial communication towers within any lot, including Lot 21 of the DMCA, notwithstanding state or local laws or rules to the contrary.

5. The Board further finds that violations of the above cited prohibitions would constitute major violations of the Declaration, as such uses would change the character and nature of the DMCA. The Board intends to impose fines and penalties upon any violators of such provisions in accordance with such determination, in addition to pursuing any or legal remedies available to the DMCA, including injunctive relief and other damages, costs, fees, including attorney fees.

IN WITNESS HEREOF, the Board of Directors has adopted this RESOLUTION this 17 day of November, 2016.



Gordon Myll, President



Judi Snelling, Secretary

DMCA ANNUAL TREASURER'S/ WATER REPORT

2016

In past years, the Treasurer's report and the water report have been presented separately. As years went by it became apparent that this was somewhat redundant. Aside from the enforcement of the covenants, the primary function of the DMCA is the operation of the water system which has a substantial impact on the DMCA finances.

To illustrate this, a basic chart has been provided. The time frame represented is from January 2016 through October 2016. The numbers across the bottom represent months. As most are aware, the water supplied to DMCA users is provided from an underground well and is pumped to the surface by an electric pump. Therefore when water usage goes up, so does electricity usage. During peak summer months, the electric bills are unusually higher when the system also experiences leaks as occurred this year. The first leak was the pump house leak in February and the second leak was repaired in early October but had been active for at least two months prior to that. Note the bumps in electricity usage during those times. Also note the substantial increase in water and electricity during the summer months. This high usage was also compounded by some unusually high individual usage plus leaks experienced by members on their property.

Annually, the cost of operating the water system, which includes water testing, meter reading and electricity is around \$8697.00. The \$100.00 annual water fee paid by DMCA water users amounts to only about \$3600.00, which is less than half the operating cost of the water system. For the \$100.00 paid annually by water users, members are entitled to 12,000 gallons per month. Those who choose to use more than the 12,000 gallons are charged an over usage fee. This fee was put in place to discourage the wasteful use of our water resource and to help offset the higher cost of electricity.

As we look forward to the maintenance needs of the water system, the resurfacing of the interior of the water tank is of paramount concern in the year 2017. This is not an option and the fact of the matter is that the DMCA will incur an unusual expense to get it done. The exact amount is not yet known. But, rest assured that the DMCA Board will do its best to minimize the financial impact.

For the review of DMCA members, the following documents are attached:

Dallas Meadows Community Association Annual Budget 2016 versus Actual Expenses through November 15th

Dallas Meadows Community Annual Budget 2015 versus Actual Expenses (Year End)

Dallas Meadows Community Association Annual Budget 2017

The entries on the Annual Budget 2016 versus expenses are mostly self-explaining, but some merit comment. As mentioned previously, the primary tasks of the DMCA Board are focused around the enforcement of the covenants and operating the water system. Therefore, it is not surprising that the majority portion of funding is directed in those two areas. Add the 2016 actual expense for Attorney

which was \$17,551.00 to the total for water related actual expense which was \$9,316 and the total is \$26,867.27. Note that the total at the bottom of the Actual column on the 2016 sheet is \$32,275.61. Subtract the total of Attorney and water expenses from the \$32,275.61 and the remainder is \$5,408.34 making it very apparent where the majority of the funding goes. On down the sheet, note under Income the notation Return of Surety Bond in the amount of \$5,000.00. In 2015 when DMCA was involved in the court action with the owner of lot 21, the Ouray County Court required DMCA to post a \$5,000.00 surety bond. When the Court ruled in favor of DMCA the \$5,000.00 was immediately refunded. Also under Income, the entry for Water Overage in the amount of \$2,291.50 represents the total of over usage fees paid by members for exceeding the monthly allowable of 12,000 gallons. Though this is helpful it cannot be counted on for future income.

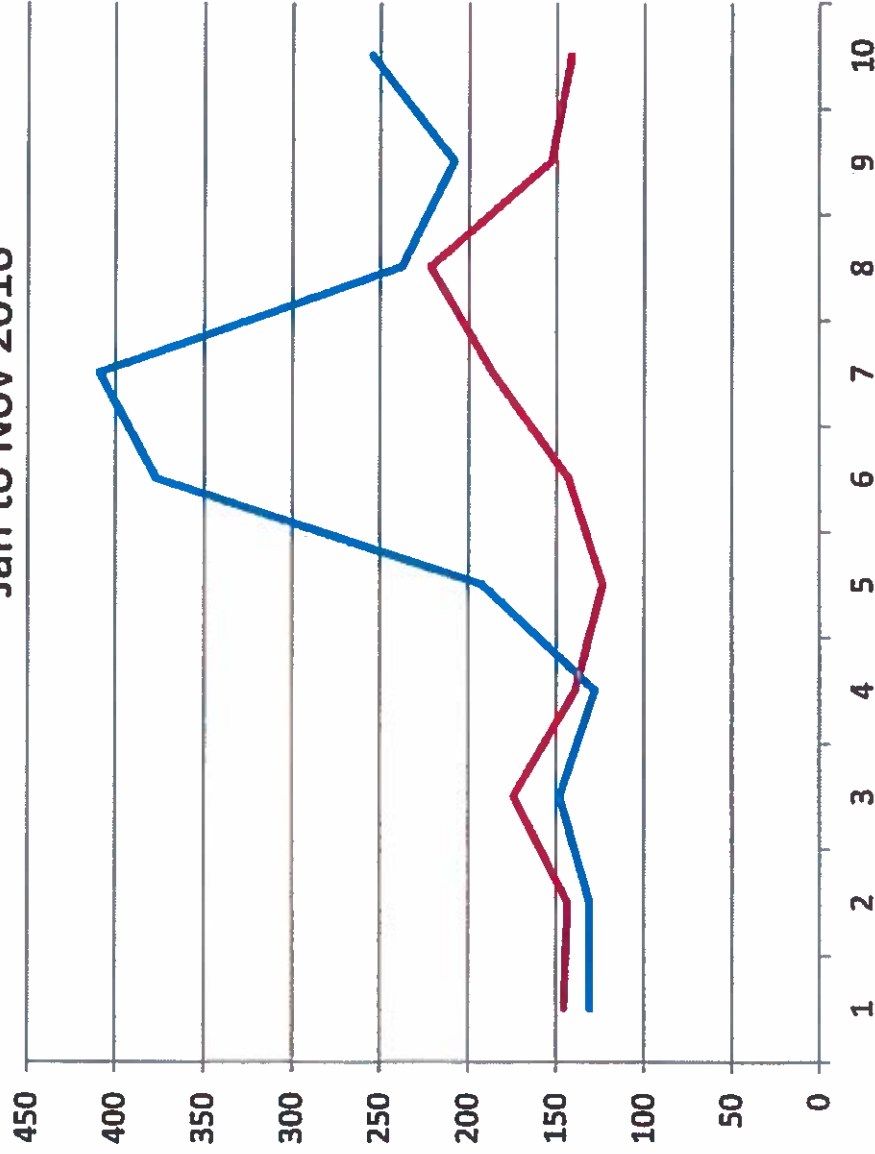
Regarding the Annual Budget for 2017, every effort has been made to project the most economical plan possible while maintaining a realistic outlook into the next year. It seems that when it comes to making a budget in Dallas Meadows the one thing that remains constant are the unpredictable variables. Whether it is the weather, broken pipes or the actions of our own neighbors, we as a Board are constantly surprised and challenged. Be assured that regardless of what comes in 2017, the DMCA Board will continue to treat DMCA funds as if they are our own, because they are.

John Young

Treasurer

Gallons of Water and Electricity Used per Month

Jan to Nov 2016



**Dallas Meadows Community Association
Annual Budget 2016 versus actual expenses
Through November 15**

	Proposed	Actual
Water Testing	\$ 6,000.00	\$ 5,099.83
Electricity	\$ 1,600.00	\$ 1,684.20
U. S. Post Office	\$ 300.00	\$ 83.00
Office/Copy	\$ 150.00	\$ 62.88
Tank Access Agreement	\$ 250.00	\$ 250.00
Water System Repairs & Maintenance	\$ 6,000.00	\$ 1,389.84
Liability Insurance	\$ 2,000.00	\$ 2,134.00
IRS/San Juan Accounting	\$ 400.00	\$ 400.00
Attorney	\$ 10,000.00	\$ 17,551.00
Meter Reading	\$ 1,400.00	\$ 1,142.40
WEB Site	\$ 325.00	\$ 315.16
Annual Meeting	\$ 150.00	\$ 65.00
Yearly Picnic	\$ 500.00	\$ 475.73
Miscellaneous/Contengency	<u>\$ 2,000.00</u>	<u>\$ 1,622.57</u>
	\$ 31,075.00	\$ 32,275.61
Income		
HOA Dues & Fees	\$ 20,000.00	\$ 19,215.00
Water Overage		\$ 2,291.50
Return of Surety Bond		\$ 5,000.00
Lein Settlement		\$ 736.00
		\$ 27,242.50
Assets through November 15		
Checking Account Balance	\$ 11,137.74	
Savings Account Balance	\$ 5,014.53	
Reserve Account Balance	\$ 34,042.80	
Total Assets	\$ 50,195.07	

****Storage of Building/Dumpster plus \$10 DORA Fee**

**Dallas Meadows Community Association
Annual Budget 2015 versus Actual Expenses**

	BUDGET	ACTUAL	
Water Testing	\$ 6,000.00	\$ 6,090.05	
Electricity	\$ 1,600.00	\$ 1,383.42	
U. S. Post Office	\$ 300.00	\$ 208.54	
Office/Copy	\$ 150.00	\$ 96.77	
Tank Access Agreement	\$ 250.00	\$ 500.00	*
Water System Repairs & Maintenance	\$ 6,000.00	\$ 1,850.00	**
Liability Insurance	\$ 2,000.00	\$ 1,006.00	
IRS/San Juan Accounting	\$ 300.00	\$ 395.00	
Attorney	\$ 5,000.00	\$ 32,915.43	***
Meter Reading	\$ 1,400.00	\$ 1,224.00	
WEB Site	\$ 100.00	\$ 174.10	
Annual Meeting	\$ 150.00	\$ 423.60	
Yearly Picnic	\$ 500.00		
Miscellaneous/Contengency	<u>\$ 1,000.00</u>	<u>\$ 5,064.09</u>	****
	\$ 24,750.00	\$ 51,331.00	
Income			
HO Fees	\$ 20,000.00	\$ 21,080.00	
Water Overage	\$ -	\$ 1,202.85	
San Miguel Credit Rebat		\$ 241.25	
Interest		\$ 30.80	
	\$ 20,000.00	\$ 22,554.90	
Assets			
Checking Account Balance	\$ 8,038.43		
Savings Account Balance	\$ 5,012.43		
Reserve Account Balance	\$ 42,027.71		
Total Assets	\$ 55,078.57		

- * 2014 access fee paid in 2015
- ** Reserve Study
- *** Includes \$5,000 surety bond
- **** Lot 21, Building removal/storage/reimbursment

**Dallas Meadows Community Association
Annual Budget 2017**

Water Testing	\$ 6,000.00
Electricity	\$ 1,600.00
U. S. Post Office	\$ 300.00
Office/Copy	\$ 150.00
Tank Access Agreement	\$ 250.00
Water System Repairs & Maintenance	\$ 6,000.00
Liability Insurance	\$ 2,000.00
IRS/San Juan Accounting	\$ 400.00
Attorney	\$ 10,000.00
Meter Reading	\$ 1,400.00
WEB Site	\$ 1,000.00
Annual Meeting	\$ 150.00
Yearly Picnic	\$ 500.00
Miscellaneous/Contengency	<u>\$ 2,000.00</u>
	\$ 31,750.00
Income	
HOA Dues & Fees	\$ 20,000.00

Insurance Committee Report

2016

- 1. We currently carry a Comprehensive General Liability policy with \$1million per occurrence/\$2million aggregate limits. *It is important to note that this policy also covers any member's personal auto exposure if they are on business for the association. We also have an Additional Insured Endorsement to cover RiverSage Corp. with regard to using their road to access our water tank.***
- 2. We also carry an Umbrella Liability policy with \$1million liability limit per occurrence that covers over and above the CGL policy. These policies will renew 12/12/16. The premium for the CGL is \$753 and the Umbrella is \$250. The Umbrella renewal went down from \$375 last year.**
- 3. Our Director's and Officer's Liability policy will renew in February 2017. There are no anticipated increases.**

Our insurance agency is Mountain West Insurance in Montrose. Our Sales Executive is Billie Hackworth. Our insurance company is The Philadelphia Insurance Companies.

Respectfully submitted,

Elizabeth L. Riggs

Board Member

DMCA Architectural Review Committee (ARC) – 2016 Chairman’s Report from Bill Lindler

ARC Includes: Bill Lindler, Tom Bennett, Kent Parkison, Ben Godbey, Steven Chevalier

Bill Lindler – bill.lindler@msn.com and 970.318.1367

Kent Parkison – oldwestbuilders@gmail.com and 970.901.4242

Tom Bennett – tom@fone.net and 970.626.3230

Ben Godbey – ben.godbey@gmail.com and 970.318.0544

Steven Chevalier – hitech01@live.com and 970.626.3005

DMCA ARC Approval Request Information

The DMCA CCR’s and ARC approval request requirements are available for download on the DMCA web site: <http://dallasmeadows.com/>. As a reminder, simply download the form and instructions and then submit the request for approval to anyone on the ARC. Contact Bill Lindler at 970.318.1367 or bill.lindler@msn.com for additional assistance or questions.

The following should be noted from DMCA CCR’s “ARTICLE 10 ADDITIONS, ALTERATIONS, AND IMPROVEMENTS”:

“The above requirements shall be deemed to be minimum requirements only. The ARC shall have the right to refuse to approve any plans or specifications submitted to it which are not suitable or desirable, in its sole opinion, for aesthetic or other reasons. The ARC shall have the right to consider the suitability of proposed buildings or other structures to be built on the site, the harmony thereof with the surroundings, and the effect of the building or structure on neighboring properties. In the event the ARC fails to approve or disapprove plans submitted to it within thirty (30) days, then approval of the ARC shall not be required.”

DMCA ARC Approval Request – 2016 Year-to-Date Summary

No new request for Primary Residence construction in 2016. Note, Lot 7 was recently sold to Ryan Deppen and his family plans to build within the next 24 months. Please welcome Ryan and his family to our neighborhood.

ARC Approval Requests:

1. February 15, 2016 – Lot 24 – Rick and Bernadette Taylor – Fence approval request. (Approved)
2. February 28, 2016 – Lot 10 – Bill and Gretchen Lindler – An adjacent property owner, Lynne La Corte, complained to the ARC about the “Lindler floodlight that intrudes into my pasture. ... I could certainly shine flood lights upon his house; in fact I could light up my entire pasture like a football field.” La Corte’s complaint was reviewed by several members of the ARC and no floodlight issue was observed. (Complaint investigated and closed with no issue)

3. March 1, 2016 – Lot 19 – Ben and Beth Godbey – Primary residence painting and Hay Shed (Approved)
4. March 2016 – Lot 24 – Rick and Bernadette Taylor – Preliminary plans for a 4+ car Garage with approximately 800 square foot flex room above the garage were informally presented for review and input. The plans submitted also showed a new septic system for the structure. DMCA ARC responded with request to show all utility connections and inquired why a new septic system was being added when the plans didn't show anything requiring a new septic system (bath, kitchen, laundry, etc.). Ouray County confirmed story poles not required. Taylors sent email regarding their conversation with Benasuttis that they did not require story poles for any potential view impact. (No other action)
5. April 6, 2016 – Lot 8 – Lynne La Corte sent an email to DMCA ARC, "just a note that I am enclosing my property boundary with 48 inch tall field fencing, with heavy 14 gage steel. I am attaching a property boundary map." La Corte also included concerns about DMCA domestic water pipes which she has repeatedly falsely claimed are on Lindler's Lot 10 property. La Corte has been informed numerous times that the DMCA domestic water pipes are actually on La Corte's Lot 8 property and not on Lindler's Lot 10. There was also mention of tail water from Wood Perry Ditch Company and La Corte was informed the DMCA ARC has no involvement in WPDCI matters. On April 7, 2016 La Corte was advised by DMCA ARC to submit plans for approval. La Corte never submitted a request for approval of the fence construction so there was no approval from ARC. La Corte commenced construction of the fence on April 7, 2016 without DMCA ARC approval. Later, on April 7, 2016 La Corte informed (not a request for approval) "The privacy fence will be just under 6 ft, will be wooden although I have not yet chosen the fencing and it may not be done this summer."
6. May 4, 2016 – Lot 10 – Lynne La Corte email complaint to DMCA regarding domestic water pipes and excavation work that Lindlers completed on the lower portion of their property. La Corte informed (again) that the DMCA water pipes are actually on her property. So any excavation work on Lindler's property for the NRCS approved WPDI re-route does not impact domestic water pipes that are not on Lindler's property. DMCA response to La Corte on May 5, 2016 informing as described above.
7. May 7, 2016 – Lot 11 – Jason Kolonski request for approval to install new siding, trim, and roofing to existing structure. Plus request for roof change at entrance and color samples for all materials. (Approved)
8. June 15 - 16, 2016 – Lot 9 – Lynne La Corte notified by both DMCA President and ARC that "all fencing must be approved by the architectural control committee per Dallas Meadows CCR's." "As previously informed you are in violation of the DMCA Architectural Guidelines with respect to the installation of the fence you have started to install. Please comply with the guidelines and approval process prior to any further installation of your fence."
9. June 17, 2016 – Lot 9 – Lindlers notify DMCA that La Corte is continuing with unapproved fence construction including cutting down bushes and significant removal of tree limbs on a tree on the Lindler property.
10. April 11, 2016 – Lot 10 – Lindler's approval request for landscaping (field leveling) and changing WPDCI lateral ditch from terminating into La Corte property to terminating into Uncompahgre

River directly. Lindlers met previously with NRCC and NRCS approved the re-route since La Corte had been granted an Alternate Point of Diversion for irrigation water and was no-longer a member of WPDCI. Lindlers consulted Ouray County and was informed no Ouray County approval or permit would be required. DMCA Board of Directors responded that DMCA approval for the project was not required. (No approval required)

11. August 26, 2016 – Lot 12 – Gary and Brenda Ratcliff – Request for approval to add window on south side of house and to add fencing. (Approved)
12. October 3, 2016 – Lot 24 – Rick and Bernadette Taylor – Request for approval of a 3 car garage structure with secondary single family (full kitchen, bathroom, laundry, etc) residence (756 square feet) above the garage. During the DMCA Board of Directors meeting on October 18, 2016 Rick Taylor shared that the residence above the garage will be used for nightly rental. There was significant conversation and feedback from nearby property owners regarding concerns on the impact of this project (including water system, additional traffic, and not in-lie with the owner occupied nightly rental provision in DMCA CCR's). DMCA ARC notified Taylors on November 3, 2016 that the project would not be approved. Taylors started construction on or about November 7, 2016. On November 16, 2016 DMCA received a letter from Taylor's attorney, Robert Burns, and the points in the letter are disputed by DMCA. Specifically during the DMCA Board Meeting on October 18, 2016, Bill Lindler did not state the project met ARC guidelines. In fact there was much discussion regarding the planned nightly rental use and that the structure is a second single family dwelling. Gordon Mull stated very clearly, that based on the Board of Directors review and conversation (with Rick Taylor present) it would be very unlikely for the Taylor's project to be approved by the DMCA ARC. The Taylor's decision to involve an attorney makes this a legal matter and going forward the matter will be handled between attorneys. (Now a legal matter to be resolved between attorneys)
13. October 11, 2016 – Lot 22 – Tom and Sandy Hennessy – Request for approval to add solar panels to roof. (Approved)
14. October 18, 2016 – Lot 24 – Rick and Bernadette Taylor – Exterior paint color approval request. This request was submitted during the DMCA Board of Directors meeting on the same date where there was significant discussion of the pending garage approval request. Since this request was submitted during this discussion, there was a misunderstanding that this paint approval was for the pending garage structure under DMCA ARC review. However, this DMCA ARC approval request was for a paint color for the primary residence which had already been applied to the primary residence sometime prior to the approval request. DMCA ARC did not approve or reject the request and due to the "30 day" clause the request requires no further DMCA action. (Not approved or denied)
15. November 9, 2016 – Lot 9 – Lynne La Corte installed unapproved "black plastic" visqueen "privacy" fence. On November 10, DMCA informed that plastic visqueen was not previously approved nor is it an appropriate fence material. (Formal notification of CCR violation and reference DMCA Collection of Property and Special Assessments sent to La Corte)
16. November 15, 2016 – Lot 9 – Lynne La Corte notified that DMCA ARC has "nothing to do with the actions of animals." It should also be noted, that on this same date La Corte filed a

complaint with Ouray County Sheriff's office and this complaint was dismissed by the District Attorney on November 17, 2016. (No further action)

17. November 17, 2016 – Lot 9 – Lynne La Corte request for approval to add mesh screen to be attached to the unapproved fence installed at the south property line. La Corte was informed that the mesh screen product is not approved and that wood, metal, or masonry material should be used. Note on April 7, 2016 La Corte informed that the privacy fence would be wood, but since an approval request was never submitted this fence project is not approved. (La Corte notified that mesh screen is not approved).

**PROXY FOR THE ANNUAL MEETING OF
DALLAS MEADOWS COMMUNITY ASSOCIATION**

DECEMBER 14, 2016

I (We) Do hereby appoint, constitute and grant my (our) proxy to:

_____ (in the absence of a name written in, your proxy will automatically be granted to the President of the Association, for the purposes of obtaining a quorum of members at the Annual Meeting, and to vote on my behalf on matters that come before the Association at the 2016 Annual Meeting. Further, I we) approve, authorize and implement all necessary and appropriate action needed to effectuate approved actions of the members.

This proxy will expire upon conclusion of the 2016 Annual Meeting and includes the right to substitute a successor. All previous proxies given are revoked. The agency will be void only if the undersigned cancels this authority in writing or attends the meeting in person.

The undersigned hereby ratifies and confirms any and all acts and things that agent may do or cause to be done under this agency.

Owner name (Printed as title is held)

Date

Owner signature

Owner name (Printed as title is held)

Date

Owner signature

Lot Address: _____

This proxy must be signed and delivered to Judi Snelling Secretary of DMCA by 6:00 PM 12/14/16 by one of the following methods: Mail to P.O. Box 853, Ridgway, Co 81432 /emailed to judisnelling@ouraynet.com / faxed to: Attention Judi Snelling-DMCA at 970-626-3557