

MINUTES OF ANNUAL MEETING OF MEMBERS

OF

CANYON FERRY OWNERS ASSOCIATION

The Annual Meeting of the Canyon Ferry Owners Association was called to order at 9:00 a.m. at the Tri-Lakes Fire Department on Saturday, August 4th 2018 by Jim Ybarrondo, President of the Association. Board members present were Rory Mcleod and Mike Clouse.

Tabulation of the sign in sheets and of the proxies demonstrated a quorum, with a combination of proxies and members in attendance totaling 32. Proof of due notice of the meeting was filed and the meeting proceeded.

A motion was made to dispense of reading of the minutes due to the amount of time involved. It was seconded and unanimously passed to accept the 2017 annual meeting minutes.

A motion was made and seconded to unanimously vote to continue TJ Hull and Rod Kessel as Board Members.

REPORTS:

President: Jim Ybarrondo touched on some board accomplishments over the last year:

- Maintained our promise of transparency by posting all meeting dates, locations and minutes on the Association website.
- Paid the \$52,000 loan down by \$20,000 and positively renegotiated the terms of the loan
- Contracted with a tax professional to conduct a third-party review of past finances
- Initiated legal action against the owners most delinquent in paying association dues while formally adopting a standard of one-year grace period for members that are having temporary financial difficulty

Mr. Ybarrondo reported that the board meetings have been public and all minutes from the meeting have been posted on the CFCOA website www.cfcowners.com.

Jim Ybarrondo also reported that the board had significantly reduced CFCOA debt and have renegotiated the terms of the loan. The loan, which was originally \$80,000 is now only \$11,000 and only has two payments remaining.

The President also reported that the CFCOA has filed a judgment against a property owner for non-payment of Association dues. The Association should be able to recover legal fees associated with this action. An owner asked how many owners were delinquent paying dues – the Treasurer reported that there were currently six owners that were delinquent.

The President reported that the maintenance committee is working on replacing the current lighting system with solar lighting. This should save the CFCOA approximately \$350 per month.

The association has developed a weed notification letter to make Owners aware if they have noxious weeds that need taken care of.

The maintenance committee is working on constructing foundations for and emplacing parcel boxes near the mailboxes at entrances. When these larger parcel boxes are installed, owners will be able to receive larger packages rather than travelling to Helena to pick-up parcels.

Fran Hovan is the primary point of contact for all mailboxes.

The board applied for and qualified for a USDA Conservation Program Grant for the conservation easement to mitigate fire hazards, improve aesthetics, reduce noxious weeds, reseed native grasses and improve wildlife habitat in the 37-acre easement.

Jim Ybarrondo explained the Boards work toward moving the maintenance shed out of the conservation easement to a private property on which the land owner agreed to store the shed. Association CC&R's don't allow for the shed to be stored on the conservation easement.

Very few if any minutes exist for the last 6-8 years, which has made it very difficult to determine what decisions have been made, or the rationale behind the decisions. Given the lack of information, the Board decided to have a tax professional review financial records and make recommendations to ensure adequate controls for Association funds going forward. The board decided against a formal audit based on the estimated cost of an audit as well as the lack of records available to audit. An owner asked a question about how the current maintenance company is being paid. Rory explained that the contract with the maintenance company is now invoiced and paid on an hourly basis. The maintenance company was previously paid a retainer fee.

Financial Report:

Rory Mcleod, Treasurer, presented the Financial Report and balance sheet. \$63,300 was collecting in 2017 for fees and dues. Total expenses for 2017 amounted to \$72,791.54. Expenses included:

Insurance	\$2,572.00
Legal Fees	6,857.90
ARC Expenses	2,133.05
Weed Control	573.75
Landscape Maintenance	660.00
6452 · Maintenance - General	2,013.94
6453 · Maintenance and repairs - other	396.86
Road repairs and maintenance	3,790.00
Snow Removal	3,430.00
Landscape refund	1,000.00
Office Expense	475.93
Donations	1,000.00
Licenses	20.00
Taxes-Property	243.28
Loan principal reduction	39,552.40
Loan Interest	2,683.82
Utilities – street lights and pump	4,286.42
Other Misc and receipts	913.16

An owner asked whether there would be an adjustment in dues when the entire subdivision was complete with paving. Jim Ybarrondo explained that the costs associated with maintaining the subdivision will still be substantial when all of the roads are paved and don't justify a change in dues. There was also discussion regarding the benefit of not having to pay interest for loans.

During the financial report, several landowners mentioned concerns about vehicle traffic not generated by Association Owners, particularly on Moonlight Drive. Jim explained that the roads in the Subdivision are public roads.

A concern was also raised about the condition of the entry into the Association, which was deferred to the maintenance committee later in the meeting.

Architectural Review Committee:

Fran Hovan provided a briefing on the Architectural Review Committee, which included the “Development Lot Population Summary”, development progress as well as improvements and landscaping status as follows:

CFC Development Lot Population Summary			
Phase	# of Lots	Lots w/ Homes	Percentage
a	46	23	50.0%
II	22	7	31.8%
III	35	14	40.0%
IV	11	2	18.2%
V	19	0	0.0%
Total	133	46	34.6%

Maintenance Committee:

Mike Clouse provided a more complete explanation of where the committee is in-process with regard to transitioning street lighting to solar power.

The Maintenance Committee reminded owners that they cannot store more than four vehicles in the open. They also reminded owners that garbage cans must be concealed from view from association streets. The committee discussed issues with unleashed dogs that accompany construction workers on construction sites. The committee asked owners to keep trees trimmed, especially those next to streets. Committee members and owners discussed owner responsibilities regarding weed control on private and common areas throughout the subdivision.

Owners raised concerns about two especially aggressive dogs that belong to CFC owners that have attacked people, vehicles and wildlife. Law enforcement has been involved in this case and Mike Clouse agreed to write a letter to the dog owners on behalf of the association. There was also concern about hound dogs in the association barking, which was resolved during the meeting with an explanation from the dog owner that the dogs had been outfitted with bark collars.

The Maintenance Committee explained that they are working on bids to grade and serve the barrow pits on Sawmill Road, which is currently a gravel/dirt road. One owner objected that the Association should be paving that road which is a decision, he argued, should be made by the Owners in a vote, rather than a decision made by the Board. The Maintenance Committee and President explained that paving Sawmill is a very expensive and the Association doesn't have enough money and might not even qualify for a loan to pave Sawmill Road right now. The Board explained that paving Sawmill is a top priority, but so is maintaining the streets that we currently have. Jim Ybarrondo explained that the Boards governing concept with paving and road maintenance is to prioritize road construction and repair projects that benefit the most people. A comment from the audience was that many of the owners patiently waited, in some cases for years, for paving after building because the Association has never had enough money on-hand to do everything.

The Maintenance Committee discussed the need to weld buried water tanks shut. An owner asked if that will have an impact on homeowners insurance – the response was that it would not.

The Maintenance Committee is going to contract to have sterilant applied adjacent to all roads to prevent weeds from intruding into pavement and chip-seal, which will eventually lead to cracks.

Jim presented the recent Board initiative to secure US Department of Agriculture grant to reduce fuel loads and improve the timber stand and habitat in the Association's 37 acre conservation easement. The CFCOA has been found eligible for the grant and is waiting for funding of the grant. The Department of Natural Resources and Conservation, which administers the grant is waiting to receive additional funds, or "grow-back" from other awarded grants to fund the CFCOA project. The grant could amount to \$900 per acre. This is a grant that Owners can apply for individually if they need help mitigating the risk of fire on their property. The Board agreed to post grant application information and contact information on the CFCOA website.

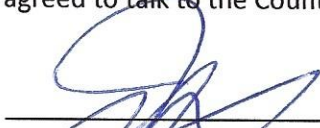
Jim Ybarrondo presented Wayne Smeaton with a plaque in appreciation for his many years of service and volunteer work for the association.

Old Business:

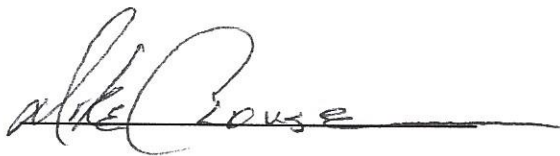
The assembled owners voted to provide a \$1,000 donation to the Tri-Lakes Fire Department. This is a donation that has become an annual tradition to help ensure the readiness of this premier volunteer emergency response team. Jim Ybarrondo explained that the Board had sent a letter to the previous Board requesting an explanation of the disposal of the weed sprayer that belonged to the CFCOA. The current Board had a fiduciary responsibility to owners to ensure the sprayer was disposed of at fair market value. At the time of the Annual Meeting, the board had not received a response from the previous board.

New Business:

Owners expressed concern about the unsafe access to Highway 284, particularly in the winter. JIM YBARRONDO has agreed to talk to the County about this issue.



Jim Ybarrondo, President



Mike Clouse, 1st Vice President



Rod Kessel, 2nd Vice President



Rory McLeod, Treasurer



TJ Hull, Secretary