

**MINUTES OF THE ANNUAL MEETING OF  
THE BACKBONE MEADOWS H.O.A.**

The annual meeting of the Backbone Meadows H.O.A. was held at 5829 Gitalong Road, Loveland, Colorado, on Saturday August 9, 2008, at 9:00 a.m.

**Roll Call:** Property owners in attendance are shown on the attached signature sheet.

**Minutes:** Minutes from the 2007 H.O.A. were read by Judy Weaver. Christine Pauplis made a motion to accept; Jeff Swanty seconded to approve the report. Motion passed unanimously.

**Treasurer's Report:** The Treasurer's report was presented by Dale Olhausen as shown on the attached financial sheets. After a brief discussion, Jerry VanSickle moved and Christine Pauplis seconded to approve the treasurer's report. Motion passed unanimously.

**Reports of Committees and Officers:** President Dale Olhausen presented a brief report regarding current activities and status of the development in Backbone Meadows Subdivision. Dale noted that there are approximately seven or eight lots still available for purchase. Dale discussed the potential interested buyers in some of the spec homes. Dale reported that the trailer in the entrance area yet remains, and the owner has continued to delay the process.

The irrigation system was discussed. A control valve was added to the irrigation pump station to simplify operation. The water line serving the landscape at the entrance is connected to Jeff Olhausen's property. There is a leak or other system problem causing a significant increase recently to the water bill. The water has been shut-off until the problem can be located. Jeff will be reimbursed from the H.O.A. for the water that is being used through his metered system. Dale mentioned that as more homeowners use the irrigation system, a schedule will be needed. For example, the lower homes might use the system Tuesday, Thursday, Saturday and homeowners on the higher end of the development run the system on the other days.

For weed control of ditches, Dale suggested that each homeowner maintain the road right of way adjacent to their property up to the surface road.

**Unfinished Business:** None considered.

**New Business:**

**Election of Directors:** Ballots were issued to property owners. Jeff Swanty was nominated as a director and was elected to the board. Dale Olhausen, Judy Weaver, Jeff Olhausen, and Jerry VanSickle were re-elected.

**Adoption of Proposed Budget:** Dale Olhausen presented the attached proposed 2009 Budget. Jeff Swanty moved and Greg Hecker seconded to adopt the 2009 budget. Motion passed unanimously.

**Other Business:** Jerry VanSickle offered to make a sign posted at the irrigation system incase there is an emergency and the system needs to be shut-off. Dale emphasized that someone knowledgeable about the system should be there whenever it is being operated.

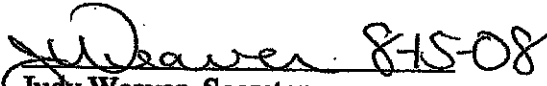
Jeff Swanty proposed that the homeowners buy water shares in the Loudon Ditch. Dale Olhausen offered to sell one water share to the homeowners at a cost of thirty thousand dollars. Jeff Swanty suggested that we begin buying a share this year. It was moved by Jeff Swanty to have the Directors further consider the purchase. Jerry VanSickle seconded the motion. Motion passed unanimously.

Craig Keen reported that the nature trail access is being used by those outside of the subdivision and had concerns on controlling parking on the road and people accessing private property. He noted that his wife asked a person to move their car on their lot, and the person got confrontational with her. They have witnessed people using the trail late at night and using the port-o-potty that is at the construction site at lot 9. Directors will consider putting signs at the trail access such as: *Access by Residence Only* and a *No Parking* sign, and *Residence and Guests Only*.

A brief discussion occurred regarding safety concerns at the road in front of the mailboxes during the winter months when snow and ice are present.

Also discussed was some friendly get togethers in the subdivision. It was also suggested to make a neighborhood directory for easy communciation.

**Adjourn:** There being no further business the meeting was adjourned at approximately 10:30 a.m.

  
Judy Weaver, Secretary

**\*\*Proposed Minutes for the 2008 annual H.O.A. meeting**

## MEMORANDUM

**DATE:** October 29, 2008

**TO:** Property Owners of Backbone Meadows Subdivision

**FROM:** Dale D. Olhausen, President HOA  
970-667-6286 - Office  
970-667-1217 - Home

**RE:** Purchase of Irrigation Water Rights and Maintenance of Properties

Dear Property Owner:

At the last annual meeting of the property owners, it was discussed that it would be desirable to own water rights for irrigation, and at this time the cost of water rights is relatively reasonable. It was proposed that one (1) share of Loudon Ditch water be purchased and the Directors were authorized to further consider the purchase. One (1) share is available at \$30,000.00 which is considered a good value by the Directors. Please vote on the attached Ballot. One share of Loudon Ditch water will be purchased at \$30,000.00 if approved by a 2/3 majority of property owners (unless a lesser cost per share becomes available). If approved, each lot will be assessed approximately \$835.00.

Also discussed, was the maintenance and landscaping of the subdivision lots, particularly those on which homes have been constructed. We request that all property owners, including the builders who may have purchased a lot, maintain each lot on a continuing basis to keep it attractive and free of weeds or unsightly items or debris that may have collected from construction. Unfortunately some of the lots have not had good maintenance for weeds, etc., and/or had items left on the lot that detract from the overall looks of the subdivision. We also ask that each property owner, particularly those lots with homes constructed, be responsible for maintaining the road right-of-way up to the surfaced road, which will greatly assist in maintaining an attractive development throughout the subdivision. Your prompt consideration of this request and continuing maintenance of the property will certainly be appreciated by others in your neighborhood.

If you have any questions, please do not hesitate to contact myself or one of the other Directors.

12:35 PM

08/08/08

Accrual Basis

**BACKBONE MEADOWS HOA**  
**Balance Sheet**  
**As of August 8, 2008**

	<u>Aug 8, 08</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Checking Account	7,597.34
Reserve Emergency Fund	<u>28,147.77</u>
<b>Total Checking/Savings</b>	35,745.11
<b>Accounts Receivable</b>	
Account Receivables	<u>1,002.39</u>
<b>Total Accounts Receivable</b>	<u>1,002.39</u>
<b>Total Current Assets</b>	<u>36,747.50</u>
<b>TOTAL ASSETS</b>	<u><u>36,747.50</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
Unrestrict (retained earnings)	30,245.25
Net Income	<u>6,502.25</u>
<b>Total Equity</b>	<u>36,747.50</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>36,747.50</u></u>

4:50 PM

08/05/08

Accrual Basis

**BACKBONE MEADOWS HOA**  
**Profit & Loss**  
January 1 through August 5, 2008

	<u>Jan 1 - Aug 5, 08</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Emergency Reserve Fund	4,000.00
Home Owners Association Fees	6,074.28
<b>Total Income</b>	<u>10,074.28</u>
<b>Expense</b>	
Irrigation Maintenance	1,811.57
Pump House	
Electric	809.03
Gas	204.16
<b>Total Pump House</b>	<u>1,013.19</u>
Snow Removal	562.50
Supplies	67.54
Taxes	459.00
Water	390.00
<b>Total Expense</b>	<u>4,303.80</u>
<b>Net Ordinary Income</b>	5,770.48
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Delinquent Customer Charges	102.39
Interest Income Bank Account	240.54
Repair	388.86
<b>Total Other Income</b>	<u>731.79</u>
<b>Net Other Income</b>	<u>731.79</u>
<b>Net Income</b>	<u><u>6,502.25</u></u>

**BACKBONE MEADOWS HOA**  
**Profit & Loss Budget Overview**  
 January through December 2009

	Jan - Dec 09
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Emergency Reserve Fund	1,000.00
Home Owners Association Fees	11,180.00
<b>Total Income</b>	<b>12,180.00</b>
<b>Expense</b>	
Bank Service Charge	0.00
Irrigation Maintenance	600.00
Landscape Maintenance	2,400.00
Management Fees	600.00
<b>Pump House</b>	
Electric	1,500.00
Gas	360.00
<b>Total Pump House</b>	<b>1,860.00</b>
Snow Removal	1,500.00
Supplies	150.00
Taxes	500.00
Water	1,056.00
<b>Total Expense</b>	<b>8,666.00</b>
<b>Net Ordinary Income</b>	<b>3,514.00</b>
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Delinquent Customer Charges	0.00
Interest Income Bank Account	360.00
<b>Total Other Income</b>	<b>360.00</b>
<b>Net Other Income</b>	<b>360.00</b>
<b>Net Income</b>	<b>3,874.00</b>