

BULL CANYON RANCHES PROPERTY OWNERS ASSOCIATION

SPECIAL BOARD MEETING

October 21, 2009

A Special Board Meeting of the Bull Canyon Ranches Property Owners Association was called to order by President Gayle Sawyer on October 21, 2009 at 11:00 a.m. Mountain Daylight Savings Time. The meeting was held at the Ramada Inn Mid-Town, 2015 Menaul Boulevard NE, Albuquerque, NM 87107.

In accordance with BCR POA Bylaws, Article 5, Section 8, Mr. Sawyer had officially announced the October 21 Special Board Meeting in an email that he sent out to the Board Members on October 8, 2009. His notification is attached to these Minutes.

Board Members physically attending:

Gayle Sawyer
Genie Haynes
Cindy Johnson
PJ Johnson
Jack Hunter

Board Members attending via telephone:

Jim McDonell

Quorum requirement met

Members attending (with no input):

Laura Sawyer
Walt Capps

Gayle Sawyer's reason for calling this Special Board Meeting:

Subjects itemized on his Meeting Agenda which is attached.

INTRODUCTION OF NEW BOARD MEMBERS

Gayle Sawyer introduced two of the new members, Jim McDonell and Jack Hunter. The third new member, Barb Hull, was unable to attend today's meeting. All of the Board vacancies have been filled which means the Board is now at full strength with seven members.

TREASURY-RELATED REPORTS

Financial Report - Genie Haynes

Prior to leaving on an extended trip, Temporary-Treasurer Genie Haynes mailed a Financial Report to each Board Member on September 17. She has not been in Phoenix since that time to pick up mail from the POA box so the figures shown on her September 17 report are still the same. Specifically,

| | | | | |
|------------------|---|-------------|---------|------------|
| Checking account | - | \$ 2,831.04 | | |
| Savings account | - | \$ 2,654.16 | | |
| Reserve account | - | \$ 279.10 | | |
| | | | TOTAL - | \$5,764.30 |

Property Liens - Jack Hunter

In an effort to recover monies due the POA, Jack Hunter reported that he had prepared and filed 11 liens through Guadalupe County, New Mexico which covered 22 properties in Bull Canyon Ranches for a total of \$29,000. These particular liens involve owners who owe more \$1000. Jack said his "Asset Recovery & Asset Preservation" project must be an ongoing program.

Upon receipt of the necessary information from Genie Haynes, Jack will file more liens, this time on owners who owe less than \$1000. In the cases of the "less than \$1000" owners, Jack will first write a letter informing them that a lien will be filed on their property unless the money they owe is paid within 15 days. Cost of filing a lien is \$9.00; cost of removing a lien is unknown at this time.

Gayle Sawyer suggested looking into filing judgments against the owners as an alternative action when mortgage holders are involved.

Interest and Penalties On Past-Due Accounts During 2009

Cindy Johnson made the following motion:

Because of the confusion and conflicting information that property owners received during 2009, penalties and interest will not be charged on accounts that were past-due in 2009. Accounts past-due on January 1, 2010, however, will begin accruing interest and will be charged with the appropriate late fees and penalties.

Seconded by Jim McDonell. Jack Hunter opposed the motion; the other five Board members approved it. Motion carried.

ROAD SIGN REPORT - Gayle Sawyer

Gayle obtained a bid from a sign company in Carrizozo, NM. It was for 13 street name signs and four warning/caution signs; the total price was \$1059. This cost does not include the charges associated with posting the signs. Gayle suggested a workday in connection with our annual meeting in May, at which time everyone could help dig post holes and put up signs.

After much discussion, Cindy Johnson motioned that the sign issue be tabled until next year. Jim McDonell seconded. Jack Hunter opposed the motion; the other five Board members approved it. Motion carried.

NEW BUSINESS

Board Officers

Gayle Sawyer motioned that the following positions be filled by those shown below:

| | | |
|--------------------------------------|---|---------------|
| President & Chairman of the Board | - | Gayle Sawyer |
| Vice-President | - | Jim McDonell |
| Secretary | - | Genie Haynes |
| Co-Treasurer | - | Cindy Johnson |
| Co-Treasurer | - | Jack Hunter |

Cindy Johnson seconded. Motion passed unanimously.

Hard-copy Communication with the Membership

As the President, Gayle will write a letter to the Membership updating them with subjects such as the new board, the latest with the September rains and ensuing road damage, liens being filed against those with past-due accounts, the necessity of replacing Ray Holt's website, etc. Jim McDonell asked Gayle to also include a statement saying that we as the new Board sympathize with what Rudy Frame and his Board went through, and that from experience, we now know they were operating under difficult and disruptive circumstances, circumstances created by a small faction of property owners.

The letter will be sent through the regular mail; Genie will handle the mailing.

New Web Site

For whatever reason, Ray Holt has decided not to post the minutes from the Special Member and the Special Board meetings that occurred on June 27, July 31 and August 12. The minutes had been sent to him with a request that he post them on the BCR POA Web Site which is registered in his name. When Cindy Johnson checked the Holt site this morning, the minutes still were not on it. There is no choice --- the Board has to set up another web site --- one that is copyrighted to the POA and can be used for unbiased communication with the membership.

Jim McDonell motioned that the Ray Holt POA web site be dropped/shut down. Genie Haynes seconded and the motion was passed unanimously. Brian Fisher is the individual in Scottsdale AZ who created the POA site for Rudy Frame and his Board. Jim will contact Mr. Fisher to see about the possibility of resurrecting Rudy's old site.

Requests To See POA Records

Cindy Johnson motioned that the Board make all of the official POA records available for review at the Annual Meetings. Jim McDonell seconded and the motion passed unanimously. Plans are to have a canopy with a table underneath and all the records in notebooks setting on the table --- with someone overseeing the operation so no one walks off with any of them.

All of the official POA documentation will also be available through our new POA web site --- once it's up and running.

Conflicts Between Board Members

Quoting from the June 27, 2009 Special Board Meeting Minutes:

"The following Resolution was adopted by all of the Board members attending today's Special Board Meeting:

We as the Board agree that there are problems that need to be resolved and that we need to follow the By-Laws; however, if any Board Member makes a personal attack against another Board Member and refuses to be part of the team, then the Board will take action as soon as possible to remove that Board Member from the board; it is further agreed that this Resolution is on-going and effective immediately."

Cindy Johnson motioned that this resolution be rescinded as it is already covered in the Bylaws and is therefore redundant. Genie Haynes seconded and the motion passed unanimously.

Resignation from the Board

Jack Hunter motioned that anyone resigning from the Board during their first year of tenure cannot run for the Board for a minimum of three years; exceptions will be made in certain situations such as health issues. Cindy Johnson seconded and the motion passed unanimously.

Grazing Lease

After researching the situation, Gayle Sawyer reported it doesn't look like the POA will be able to get more money out of the grazing lease, that it appears to be Jim Grider's decision as to who gets the lease and for what amount. Our grazing lease at Bull Canyon is very similar to those that New Mexico Land & Ranches established at the rest of their developments, which means that if there's an agreement to amend our lease so we can make more money on it, they'll probably have to do the same thing at their other developments.

Gayle is a big proponent of a grazing plan which among other things includes wildlife preservation and erosion control. It's possible that a grazing plan might be used to adjust our grazing lease in the future.

Expenses Incurred by Jann Maxwell & Paid With POA Funds

Background: On 3-28-2009 Jann Maxwell submitted a list of the expenses that he incurred as a result of organizing a Special Membership Meeting in Albuquerque NM on February 6, 2009. His reason for calling the meeting was an attempt to elect a new Board of Directors for the Bull Canyon POA. At a Board Meeting on May 4, 2009, the newly-elected Board approved reimbursement of Mr. Maxwell's expenses and a check for \$2853.15 was written and mailed to him on May 7. \$2500.00 of the itemized expenses was for attorney fees that he had paid Steve Ingram.

Issue: Questions have arisen surrounding the legality of the POA paying Mr. Maxwell's \$2853.15 in expenses, and because of these questions, the current issue is, should Mr. Maxwell be required to return the money to the POA? Different attorneys have voiced different opinions on this subject.

After a long discussion lasting almost an hour, the Board decided it would not pursue recovery of the \$2853.25 from Mr. Maxwell notwithstanding that the Board was in full agreement that the payment was highly irregular.

Jack Hunter asked Genie Haynes to send him copies of all of the itemized statements from Attorney Steve Ingram so he could review them.

Road Repairs

Jim McDonell reported that the Bull Canyon roads are in sad shape after the big September rains and will require a lot of remedial work. He went on to say that we are going to have to learn to work with Nature rather than against her, particularly where water crossings are concerned. Drawing on his experience, he recommended several solutions for correcting the water flow problems but then said, now is not right time to do it --- everything will have to wait until next year. At the conclusion of his report, Jim volunteered to take over the management of the roads.

Jack Hunter motioned that Jim McDonell be given the responsibility of the roads. Cindy Johnson seconded, and the motion was unanimously approved. Jim requested autonomy where the roads are concerned --- in other words, Jim is the individual who will be exclusively dealing with the contractors, suppliers, etc. and anything road-related will be referred to him; Jim, of course, will keep the Board updated and obtain necessary Board approvals. The Board agreed to Jim's request.

Individual Assessments (IA's)

Jack Hunter introduced and explained the Individual Assessment (IA) concept, a concept he would like to see implemented at Bull Canyon. Concerning the roads, and as it stands right now, basically 80% of the POA's money is being used to the benefit of 10% of the membership, and Jack doesn't think this is fair. Although the IA concept is not limited to roads, it's being used in connection with the roads in this discussion.

Jack said in support of IA's at Bull Canyon: Those members whose lots border Bull Canyon Loop are the ones who paid higher prices for their lots because their lots are the easiest to access. The reasoning for this is, Bull Canyon Loop is the main road through Bull Canyon Ranches and as such, should be the top maintenance priority. It's more expensive for the POA to maintain some of the "spur" roads radiating off of Bull Canyon Loop. This is because these particular "spur" roads are "off the beaten path" and/or located in low-lying areas with severe water flow problems, etc. Jack also noted that the lots which are located on these "expensive problem" spur roads were the cheaper lots when the Ranch was originally divided and sold.

It's Jack's belief that the owners with property on the roads which are causing the greatest maintenance and repair expense to the POA should have to pay more in dues and/or assessments.

After much discussion, it was decided that Jack would write a paper on IA's and forward it to each Board member, that the Board would then talk about IA's at a later date.

Proposal: Property Owners in Arrears Cannot Vote

Jim McDonell and Jack Hunter both expressed their support for the proposed "Forfeiture of Voting Privileges" Bylaw change. According to the Bylaws, Article VII, Section 1C, the POA Membership must vote and approve all Bylaw amendments related to Membership Voting. The consensus was to send ballots out to the membership and have the Voting Forfeiture issue resolved before May's Annual Meeting. However, when the minutes were being written it was discovered that no one was assigned the action item of preparing the ballot and writing an accompanying letter to the Membership.

Budget

Jack Hunter said he will work with Gayle Sawyer and prepare a budget for 2010. When completed, they will send it to the rest of the Board for comments and approval.

Evaluation of Covenants and Bylaws

Genie Haynes suggested that when things settle down and our Board meetings are not as long and as involved as they are now, we set aside time at every meeting to review and discuss one or two sections. Everyone agreed.

Evergreen Annual Assessments

Jack Hunter said that Evergreen Annual Assessments is the terminology used when property owners are required to pay their annual dues two years in advance. Having this policy, Jack feels, would be a means of ensuring an owner's dues are paid up should they decide to sell their property or let it go into foreclosure --- similar to first and last month's rent. The Board thoughts were, it would be a difficult policy to implement at this point in time, plus it would require the approval of the POA Membership. For these reasons, the Board chose not to pursue the Evergreen proposal in the immediate future.

Board Meeting Frequency

Genie Haynes motioned that regular Board meetings be held on the first Wednesday of every other month beginning with the month of December. Gayle Sawyer seconded and all except Jack Hunter approved the motion. Our next regular Board Meeting will be December 2, 2009.

Flowers For Barb Hull and a Sympathy Card for Jack Lewis

Genie Haynes and Walt Capps volunteered to send flowers to Barb Hull and a sympathy card to Jack Lewis. They will put the board member names on the cards but pay for the items out of their own pocket.

New POA Attorney

Jim McDonell suggested we look for an attorney to replace Steve Ingram. Everyone agreed. Nancy English is an attorney in Tucumcari, NM that Rudy Frame and his previous Board used. Gayle Sawyer will contact Ms. English to see if she would be interested in becoming our legal counsel.

Jack Hunter motioned that the Special Board Meeting be adjourned. Seconded by Genie Haynes and passed unanimously at 3:35 p.m. Mountain Daylight Savings Time.

Minutes of the October 21, 2009 Special Board Meeting respectfully submitted by

Eugenia B. "Genie" Haynes - BCR POA Secretary