

BULL CANYON RANCHES PROPERTY OWNERS ASSOCIATION

ANNUAL MEMBERSHIP MEETING

July 3, 2011

President Jim Mc Donell called the Annual Membership Meeting of the Bull Canyon Ranches Property Owners Association to order on July 3, 2011 at 1:30 p.m. Mountain Daylight Savings Time. The meeting was held at the Hampton Inn, 2475 Historic Highway 66 East, Santa Rosa, New Mexico 88435.

Board Members attending:

Jim Mc Donell (Lot 27)  
Genie Haynes (Lot 14)  
Eileen de Castro (Lot 5)

Property Owners Attending:

Jack Lewis (Lot 4)  
Ed de Castro (Lot 5)  
Walt Capps (Lot 14)  
Rudy & June Stampfli (Lot 16)  
Barbara Mc Donell (Lot 27)  
Lu Lujan & Family (Lot 38)  
Charles & Carol Simon (Lot 83)

The teleconferencing systems was activated at 1:20 p.m., and although the telephone number was publicized in several letters to the POA membership, no member chose to attend the Annual Meeting using this option. The teleconferencing system was disconnected at 2:53 p.m.

The required quorum of 41 lot owners represented either personally or by proxy or ballot was NOT met. Having only 36 ballots/proxies on file at the time the meeting was called to order meant that no official business could be conducted. President Jim Mc Donell therefore declared the 2011 Annual Meeting to be an informational meeting only.

TREASURER'S REPORT - Eileen de Castro

Financial Reports

Eileen reviewed the June 30, 2011 Profit & Loss Statement and Balance Sheet which will be posted on the website. Total in the three POA bank accounts is \$9,527.31. Accounts Receivable situation is much improved over the figure reported at the last Annual Meeting. Current Fixed Assets are the Track Loader, the Grader and a Dump Truck.

Because the POA now owns its own road equipment and has hired Beau Lamb to operate the equipment and maintain the roads, our current road expenses are significantly lower than in previous years.

Federal & State Taxes

When discussing the money paid in 2010 Federal and State taxes, Eileen warned that the POA will definitely be paying more in taxes next year due to the fact the grazing income is much higher than in the past. As required by the IRS, 1099 Forms for 2010 were sent to Beau Lamb (road maintenance), Stephen Ingram (attorney) and Jim Gridder (grazing settlement).

Liens & Recovery of Monies Owed

Twelve liens have been filed against POA members who are more than one year in arrears. Also, as a result of the rapport that Eileen has established with various title companies, she is now receiving notification of upcoming Bull Canyon lot sales; in some of these cases, she has been successful in recovering unpaid POA annual dues and assessments from the delinquent seller at the time of closing.

## PRESIDENT'S REPORT - Jim Mc Donell

### Road Maintenance

Thanks to Beau Lamb, the man who is operating our equipment and maintaining the roads, all of the Bull Canyon Ranch roads are now accessible with a two-wheel-drive vehicle. Although additional work is planned, it cannot be started until Bull Canyon receives some rain. Once there is some moisture in the ground and the dirt is manageable, Beau will start retrieving the material from the ditches and smoothing and crowning the roads. Beau is being paid \$45 an hour which includes equipment maintenance and fuel costs.

Everyone needs to realize that completely repairing the concrete crossing thus preventing future washouts of any kind, is going to be very expensive. One option is to build a bridge across the creek.

Jim has accepted Rudy Frame's offer to chair the Roads Committee. Rudy owns Lot 50 and will begin his duties immediately under Jim's oversight as both President and the Board member formerly in charge of the roads.

### Road Equipment

The POA now owns three pieces of equipment which were paid for with cash. The first purchase was a track loader with rippers, the second a medium-size grader, and the most recent purchase, a 1987 International diesel dump truck.

Future plans are to purchase a wheeled fuel tank (bowser) which would allow Beau to transport fuel to the equipment rather than having to drive the equipment to the permanent fuel tank and then back to where he was working.

The other planned purchase is a trailer which can be hooked to the dump truck and used for transporting equipment to the job site which will save time and fuel.

### Private Hire of Equipment

Any POA member can hire Beau and the POA equipment to do a specific job on their lot. It is a package-deal, however; Beau is the only person permitted to operate the equipment. Beau may be reached at 575-760-3404 or [justroping@hotmail.com](mailto:justroping@hotmail.com). Tell him what you want to do and request an estimate. Beau will give you a discounted rate. If you decide to have Beau do the work, you must pay him in full before he begins the job as the POA will not cover the costs of those who do not pay after their work has been completed.

### Grazing Lease with Jim Grider

Until 2010, the POA was "saddled" with a grazing agreement made between New Mexico Land & Ranches (the developer) and Jim Grider whereby Jack Lewis paid Grider \$36,000 a year to graze his cattle on Bull Canyon Ranches property. Under the existing agreement, Grider only had to pay the POA \$5,000 of the \$36,000 he collected each year.

In April of 2010, the owner/organization, whom New Mexico Land & Ranches was accountable to, assigned all the Bull Canyon Ranches grazing rights to the POA. Jim Grider however did not agree with this and resorted to legal action to prevent it from happening. In an effort to keep from spending all the POA's money on attorney fees, Jim Mc Donell met with Grider and eventually negotiated the following as a means of the settling the matter:

- 1) Split the \$36,000 grazing income for 4 years between the POA and Grider on a 50-50 basis, payment to be made to Grider twice a year, the first \$9000 sent to Grider December 2010.
- 2) State land (1080 acres) within the Bull Canyon Ranches borders leased by Grider immediately reassigned to the POA.

The 50-50 split agreement only applies to the initial grazing income of \$36,000; any other grazing income belongs to the POA in its entirety. In other words, the money Jack Lewis is paying to run an additional 100 yearlings on the Ranch property this year does not have to be shared with Jim Grider.

### Revised CC&R's

In March of 2011, the owner/organization whom New Mexico Land & Ranches reported to, assigned all their rights, title and interest in the Bull Canyon Ranches to the Bull Canyon Ranches POA, thus making us a completely independent entity answering to no one except ourselves. As a result, the CC&R's were totally revised and any mention of either the declarant or New Mexico Land & Ranches was removed. The POA membership approved the revised CC&R's, and Genie will cover the voting results in her presentation.

### Appointment of Accounting Firm & Lien Management

In an effort to provide accounting continuity from one Board to another, the current Board plans to investigate the possibility of hiring a New Mexico accounting/bookkeeping firm who would handle the POA's accounting needs, specifically bookkeeping, tax returns, dues collections, check deposits, and associated financial reports. As in the past, the POA Treasurer would still write and sign the checks.

Eileen de Castro is involved with a new business venture and as a result no longer has the time to handle all the POA's financial matters as she has so competently done in the past. Fortunately however, she has agreed to continue managing the liens that must be filed against those with delinquent accounts.

### Improving Property Values

Jim Mc Donell gave a short presentation on his views of how Bull Canyon Ranches property values can be improved. He will write a detailed letter to the membership on this subject within the month and request a mandate to move forward with his ideas. After discussing the reasons for the downward spiral in property values, he suggested that a way of stopping this trend would be to have a single realtor market all of the Bull Canyon lots. By doing this, it would be possible to assure no lot is advertised at a price lower than its initial selling price, and of course the realtor would discount his/her sales commission.

### SECRETARY'S REPORT - Genie Haynes

#### Website

Genie encouraged anyone who is not using the POA's website ([www.bcrpoa.com](http://www.bcrpoa.com)) to do so. It's full of up-to-date information plus it has many pictures of the ranch on it. A "Notification & Announcement" page has recently been added which shows upcoming events (such as the 2011 Annual Meeting) and lists the latest additions to other sections of the web.

#### Board Communication with the Membership

Currently, letters from the President are mailed to the membership through the U. S. Mail. Quarterly financial reports and Minutes of Board Meetings and Annual Meetings are posted on the website. Genie plans to mail a survey to the membership asking 1) their email address so she can include it in the membership directory, and 2) their preference for receiving Board communications.

#### Revised CC&R's Voting Results

Changes to the Covenants, Conditions & Restrictions for Bull Canyon Ranches requires 51% of the membership (or 44 lot owners) to vote; out of that 51%, 2/3's (or 30 lot owners) must cast an acceptance/approval vote.

40 Lot owners accepted/voted to approve the proposed CC&R revision  
5 Lot owners voted against acceptance  
TOTAL of those voting - 45

The revised CC&R's, together with a voting tally sheet, were filed at the Guadalupe County Courthouse in Santa Rosa, NM on June 12, 2011.

### No Hunting Announcement

Prior to hunting season, numerous ranches in the Bull Canyon area place announcements in "The Guardian", Santa Rosa's local weekly newspaper, saying no hunting will be permitted on their property. (The Board subscribes to this paper and Eileen de Castro monitors it for items that might affect the POA.) Although we have a locked entrance gate and two signs on the gate stating "No Trespassing" and "No Hunting", the Board has decided to post a "No Hunting" announcement in "The Guardian" as an additional deterrent.

### Gate Combination Change

Walt Capps will change the entrance gate combination tomorrow morning, July 4. The new combo is 3-1-4-2. It will be posted on the website's Notification & Announcement page and changed on an annual basis unless it becomes necessary to change it more frequently.

### END OF ANNUAL MEMBERSHIP MEETING

President Jim Mc Donell ended this session of the 2011 Annual Membership Meeting at 3:40 p.m. Mountain Daylight Savings Time. *He did not adjourn the meeting.* The meeting will reconvene no later than September 3, 2011. This action was taken in anticipation of at least five more members submitting their ballots/proxies. Receiving a minimum of five more ballots/proxies would establish the required quorum and allow the 2011 Board of Directors election to take place.

With the exception of Alan Beekman who resigned his Board position prior to the Annual Meeting, the current Board members will remain in place until a 2011 Board of Directors election occurs.

Lu Lujan did not submit her name as a candidate for the 2011 Board of Directors and therefore did not appear on the official ballot, but at today's meeting she volunteered to serve on the new Board. Jim Mc Donell and the current Board accepted her offer.

### BOARD MEETING

This Board Meeting began shortly after the Annual Meeting ended. President Jim Mc Donell called it to order at 3:50 p.m.

#### Attendees:

Jim Mc Donell	-	Current Board Member; Running for the 2011 Board
Genie Haynes	-	Current Board Member; Running for the 2011 Board
Eileen de Castro	-	Current Board Member; Running for the 2011 Board
Charles Simon	-	Running for the 2011 Board
Lu Lujan	-	Volunteered to serve on the 2011 Board

Until the anticipated quorum can be achieved and the 2011 Board of Directors election held, interim responsibilities/assignments are:

President	-	Jim Mc Donell
VP & Treasurer	-	Eileen de Castro
Secretary	-	Genie Haynes
Roads Committee Member	-	Charles Simon
Entertainment Committee	-	Lu Lujan

With the exception of Eileen de Castro, these Board member assignments will become permanent once the 2011 Election is an accomplished fact and the ballots/proxies have been tallied. As previously discussed, Eileen's current professional obligations preclude her from serving full term on the 2011 Board.

Minutes of both July 3, 2011 meetings respectfully submitted by

Eugenia B. "Genie" Haynes

**ADDENDUM TO**  
**JULY 3, 2011**  
**BULL CANYON RANCHES PROPERTY OWNER ASSOCIATION**  
**ANNUAL MEMBERSHIP MEETING MINUTES**

- I. On July 13, 2011, quorum was achieved to conduct an election for the 2011 Board of Directors.

Six more ballots/proxies were received for a total of 42 which exceeded required quorum figure of 41 by one.

- II. Results of 2011 Board of Directors Election:

Alan Beekman	-	30 votes
Eileen de Castro	-	41 votes
Genie Haynes	-	40 votes
Jim Mc Donell	-	40 votes
Charles Simon	-	41 votes

NOTE:

Alan Beekman submitted his resignation from the current Board and advised he would not be running for the 2011 Board after the 2011 ballot had been mailed to the membership.

Eileen de Castro has informed the current Board that she will be unable to serve a full-term on the 2011 Board due to increasing professional commitments.

- III. President Jim Mc Donell adjourned the 2011 Annual Membership Meeting on July 13, 2011.

Eugenia B. "Genie" Haynes  
BCR POA Secretary