

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS MEETING
JANUARY 19, 2013**

APPROVED

2.0 Call to Order –Acting Chair and Vice President Josh Cocagne called the regular monthly meeting of the Apple Canyon Lake Property Owners' Association (ACLPOA) to order at 9:05 a.m. at the Apple Canyon Lake Clubhouse, Saturday, January 19, 2013. He noted that Kandee Haertel was recording the minutes of this meeting.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Mr. Bob Ballenger, Ms. Marge Clark, Mr. Josh Cocagne, Mr. Chuck Larsen, Ms. Debra McNamee, Mr. Rick Paulson, Mr. Duane Suits, and Mr. Erin Winter. President Kevin Kavanaugh was absent. General Manager Paula Lange and Recording Secretary Kandee Haertel were also in attendance.

4.0 Record/Adopt Board Meeting Minutes – Marge Clark moved, Chuck Larsen seconded, to “Adopt the November 17, 2012 Minutes as presented.” There were no corrections. The motion carried unanimously. Debra McNamee moved, Rick Paulson seconded, to “Adopt the December 8, 2012 Minutes as presented.” There were no corrections. The motion carried with abstentions from Bob Ballenger and Erin Winter.

5.0 Treasurer's Report – Duane Suits gave his report for the month of November, 2012. Copies of his complete report and statements were given to the Board and available at the entrance to the meeting. He noted that this report is as of the end of November and that final December figures would not be available until after the audit that begins on March 4, 2013 because of adjustments that the auditors may make. As of the end of November, everything looked in line. Bob Ballenger motioned and Rick Paulson seconded to “Accept the November, 2012 Treasurer's Report as presented.” The motion carried unanimously.

6.0 Committee Reports

Conservation Committee – Erin Winter indicated that the committee had not met and, therefore, he had nothing new to report. The next meeting is February 2, 2013.

Architectural & Environmental Control Committee – Rick Paulson requested that Brian Hartlep give the committee's report. Brian reported that the committee met and two garage projects with variances on the size of their square footage were approved. Bob Ballenger asked what the variances were and Brian responded that both were for garages that exceeded the 900 square foot size. Bob wanted the Board to be aware that when the covenants were changed, AECC was given the power to grant variances. He stated that the variances were granted because none of the variances had an adverse effect on the surrounding properties. Josh Cocagne suggested that, in the future, the Covenants be changed to allow for larger garages, because it was never expected that all variances would be granted. Bob stated that when the AECC was granted the power to make variances that all variances would be approved. Josh Cocagne suggested that the AECC committee make a recommendation to the Board regarding the size of

garages. Mike Harris noted that he felt that the committee did not have the power to grant every variance and that the committee was not in full agreement. Marge Clark noted that the Covenants cannot be changed for five years from November 6, 2011. It is stated very clearly in Article 9 that these Covenants stand for five years and that is the earliest they can be revised. Deb McNamee asked Attorney Phil Jensen's opinion on our ability to amend the Covenants before that time, but is still waiting for an answer. Marge also suggested that these type of actions should at least be put on a list for attention until the time we have the ability to change the Covenants. Josh Cocagne stated that because the Covenants cannot be changed at this time, variance issues will continue to need to be addressed on a case-by-case basis. Rich Miranda from the audience stated that according to the existing variance rules, hardship must be shown for variance to be granted. He did not feel that a hardship was evident in these particular cases. Duane Suits asked if there were specific parameters that the committee follows when a variance is granted. Josh Cocagne stated that there are parameters, but historically they have been allowed. Duane Suits suggested that specific parameters be put in place so there is a guideline regarding granting variances. Josh Cocagne suggested perhaps this should be an agenda item in the future. Deb McNamee stated that a hardship does not have to be obvious. It could be the size of the lot. Since this 900 square foot limitation was created in 1970, building standards have been changed. Both houses and accessory structures have become larger. She thinks the committee majority vote should be respected until such time as the Covenants might be changed. Josh Cocagne requested that Paula Lange add an agenda item, "garage size" as an example, to form a list for future Covenant adjustment.

Budget/Finance Committee – Duane Suits reminded everyone that the new budget process begins soon. The April committee meeting will be the preliminary budget meeting. He encouraged everyone to participate in the process and to consider serving on the committee.

Rules & Regulations – Josh Cocagne reported that the committee met and discussed trail speed limits and signage on trails. They are waiting on a legal opinion on the wording of these proposals before presenting it to the Board. They will probably meet the second week of February.

Legal Committee – Marge Clark stated that the committee has not met.

Trails – Deb McNamee reported that the committee has made recommendations to the Long Range Planning committee for the five-year plan.

Nominating – Rich Miranda noted that the cut-off date for Board nominations is January 24, 2013. The committee will be meeting on the 24th at 9:00 a.m. There are presently four candidates, which means that one more is needed.

7.0 President's Report – Kevin Kavanaugh was not present at today's meeting and did not leave a report, so none was submitted.

8.0 General Manager's Report – Paula Lange presented her written report, which will be in the *Apple Core*. She specifically noted that the 2013 Registration packets were mailed to all ACL property owners on January 7, 2013 and reminded all that mandatory fees must be paid on all lots owned prior to the registration of all boats, ATV's, etc. The three installment payment plan is also in place. This year's Triathlon is on Saturday, May 18, 2013. Apple Canyon Lake and Nixon Beach will again host the swim portion of this event. The Long Range Planning Committee, chaired by Chuck Larsen, is working with Planning Resources, Inc. to update the

2005 Apple Canyon Lake Master Plan. They are planning a survey and town hall meetings to solicit property owner input which will be scheduled as the plan begins to develop. She noted that staff is anticipating the low lake water levels will continue and that staff is working on temporary slip assignments again this year. Paula also noted that the Pinewood Derby is February 16th and that the marina skating rink is open and fun for all.

9.0 Property Owner Comments – Hans Bender questioned why maintenance equipment is still being stored outside when we recently completed the construction of a large storage shed. Paula responded that the piece of equipment in question is probably the lake dredge and that it is simply too large and difficult to move and store inside. Hans also indicated that the tarp used to cover the equipment had holes in it and was in poor condition. Paula responded that Brian Hartlep had inspected the tarp a week ago and that it appeared to be in good condition at the time. She agreed that Brian would inspect that storage in the very near future.

Marcy Stanger spoke as the representative to Jo Carroll Energy. She noted that the merger with Farmers’ Mutual in Geneseo has been completed, which will be a benefit to both parties. She mentioned several cost sharing measures that are offered to homeowners when they make energy efficient changes to their homes. Please contact her if there are any questions.

10.0 Unfinished Business -- There was no unfinished business to be addressed.

11.0 New Business

11.1 Committee Changes Via Motion of Consent - Acting Chair Josh Cocagne read the narrative. Rick Paulson moved, Marge Clark seconded, to “Approve the Committee Changes as listed, “To accept the resignation of Doug Vandigo from the Long Range Planning Committee, and to appoint Joe Wiener to the AECC”. The motion carried unanimously.

11.2 Greenway Restoration - Acting Chair Josh Cocagne read the narrative. Erin Winter moved, Rick Paulson seconded, to “Approve the green space restoration plan at a cost not to exceed \$1,720 for supplies.” Duane Suits moved, Rick Paulson seconded, to amend the original motion to add the words “These funds to be a part of the 2013 R&R Greenway Restoration Fund Budget.” Discussion about this motion centered on clarification of what was included in this expenditure and what part of the budget this expenditure would be charged against. Martin Handley from the audience questioned the cost of the seed in this portion of the project. Brian Hartlep stated that this is not regular grass seed, but rather prairie grass seed that will provide a much better restoration solution than simple turf grass. John Kline, also from the audience, commended the Board for doing this project. He also voiced a concern regarding the view from the end of Red Sail and wondered what the effect will be in the long term. Erin Winter stated that this restoration will be such that the view will remain and probably be better. The motion carried unanimously.

11.3 Employee Handbook - Acting Chair Josh Cocagne read the narrative. Chuck Larsen moved, Marge Clark seconded, to “Approve the recommended changes to the 2013 Employee Handbook, as amended in Exhibit One.” This is an amended motion from that which was submitted to include the specific changes as noted in Exhibit One. Paula Lange provided

information to the Board regarding what is required for employees to be eligible to partake in the amenity program and what the cost to the Association is when an employee rents a campsite or boat, which is nothing additional. The motion carried unanimously.

11.4 Rescind Lot Combination - Acting Chair Josh Cocagne read the narrative. Deb McNamee moved, Chuck Larsen seconded, to “Rescind the lot combination of Lots 42 and 43 in Apache Unit.” Deb McNamee noted that she is in favor of this particular case because it has already been approved by the County. Bob Ballenger also voiced his approval. The motion carried unanimously.

11.5 Restricted Lots - Acting Chair Josh Cocagne read the narrative. Chuck Larsen moved, Bob Ballenger seconded, to “Complete the restriction process for Lots 13-082 and 06-061. All lots were recorded prior to the end of 2012.” The motion carried unanimously.

11.6 Change ACLPOA Restricted Lot Procedures - Acting Chair Josh Cocagne read the narrative. Bob Ballenger moved, Marge Clark seconded, to “Approve the change in the date of completion from December 31 to December 1 for Restricted Lot Procedures.” The motion carried unanimously.

11.7 Deer Management Registration Fee - Acting Chair Josh Cocagne read the narrative. Erin Winter moved, Duane Suits seconded, to “Approve the Increase in the annual Deer Management Registration hunting fee from \$100 to \$125.” Jack Finley from the audience addressed the Board regarding the program’s past and future plans. He also stated that the committee felt this fee increase was reasonable. Paula Lange also noted that the Deer Management Committee, rather than the Security Department, is now responsible for equipment used in the program. There was additional discussion regarding how the annual deer population counts were made and that possible better ways to do the count were being considered, as well as how the optimum deer population was calculated. The motion carried unanimously.

11.8 Deer Management Committee Rules Change – Prior to the reading of the narrative, the Board agreed to consider this as one motion with an Exhibit of the actual changes attached to the motion. Acting Chair Josh Cocagne read the narrative. Erin Winter moved, Rick Paulson seconded, to “Approve the changes to the Deer Management Rules and Regulations as amended per the Attached Exhibit.” Discussion on this motion was held on each of the changes and decided as noted in Exhibit One. The motion carried unanimously.

12.0 Other – There was no Other Business.

Adjournment – It was moved to adjourn at 11:05 a.m. Motion carried.

Recording Secretary Kandee Haertel

Acting Chair Josh Cocagne

Date

Corporate Secretary Josh Cocagne