DALLAS MEADOWS COMMUNITY ASSOCIATION

2015 ANNUAL MEETING REPORT

Annual meeting is scheduled for:

Thursday - 12/10/15

Ouray County 4- H Center

6:00 PM

PROXY FOR THE ANNUAL MEETING OF

DALLAS MEADOWS COMMUNITY ASSOCIATION

DECEMBER 10, 2015

I (We) Do hereby appoint, constitute and grant my (our) proxy to:

_____ (in the absence of a name written in, your proxy will automatically be granted to the President of the Association, for the purposes of obtaining a quorum of members at the Annual Meeting, and to vote on my behalf on matters that come before the Association at the 2015 Annual Meeting. Further, I we) approve, authorize and implement all necessary and appropriate action needed to effectuate approved actions of the members.

This proxy will expire upon conclusion of the 2015 Annual Meeting and includes the right to substitute a successor. All previous proxies given are revoked. The agency will be void only if the undersigned cancels this authority in writing or attends the meeting in person.

The undersigned hereby ratifies and confirms any and all acts and things that agent may do or cause to be done under this agency.

_____ _____

Owner name (Printed as title is held) Date

_____

Owner signature

_____ _____

Owner name (Printed as title is held) Date

_____

Owner signature

Lot Address:_____

This proxy must be signed and delivered to Judi Snelling Secretary of DMCA by 6:00 PM 12/10/15 by one of the following methods: Mail to P.O. Box 853, Ridgway, Co 81432 /emailed to judisnelling@ouraynet.com / faxed to: Attention Judi Snelling-DMCA at 970-626-3557

DALLAS MEADOWS COMMUNITY ASOCIATION

2015 ANNUAL MEETING REPORT

12/10/15

OFFICERS

President

Gordon Mull - 970-626-3342 / gmull.dynamicfire@q.com

V. President

Vince Snowbarger – 970- 318-3510 / vincesnowbarger@msn.com

Secretary

Judi Snelling – 970 318-8437 / judisnelling@ouraynet.com

Treasurer

John Young - 970-626-5044 / johnorglenda@q.com

COMMITTEES

Arch Guideline Committee Chair

Bill Lindler- 970-318-1367 / bill.lindler@msn.com

Insurance Committee

Lysa Riggs - 970 626-9796 / 727-858-1416 / lysariggs@gmail.com

Water System & Quality Committee

John Young - 970-626-5044 / johnorglenda@q.com

Larry Benasutti - 970-626-5099 / mrlock40@hotmail.com

DALLAS MEADOWS COMMUNITY ASSOCIATION

2015 ANNUAL MEETING REPORT

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(1)

DMCA Annual Meeting 2015 - Summary Report

Notice to all residents and property owners in

Dallas Meadows Community Association

Annual Meeting to be held on December 10, 2015

at Ridgway 4H Building at 6:00 PM

President's Report-State of the DMCA

Overview: Results of Adopting New DMCA ByLaws and CCR's

Here it is another year with several issues I wish to comment on that will in some way may affect many of the DMCA members.

After the election and confirmation of the Board Members for 2015, the Board proceeded with discussing many of the concerns that were presented by members at the 2014 Annual Meeting regarding the new ByLaws and CCR's. In particular, was the issue regarding vacation rentals and specific prohibited uses of a residence and or property within the DMCA.

Most of the concern centered on the issue of Vacation Rentals. The Board felt it was best to consult with our attorney regarding any revisions to this and any other sections of the new ByLaws and CCR's. After discussing any possible legal ramifications for revisions to Section 8.2.7 where it describes what is considered an "owner occupied rental" it was agreed that this section and all other sections would remain as presented until after the vote to adopt the new ByLaws and CCR's was tabulated.

The Board immediately began the review and tabulation of the votes that were received regarding the adoption of the new 2015 ByLaws and CCR's. The Board of Directors confirmed that all of the votes and or proxies received were from members in good standing. The votes were then read out loud and recorded by two of the Board Members. They were rechecked again and the two Board members once again confirmed the vote totals.

After reviewing the total votes, the Board confirmed the required 75% of the required votes to adopt the new ByLaws and CCR's had been obtained. The total vote results were as follows:

A total of 42 Ballots were sent out.
A total of 31 Ballots were received by the Board.
A total of 2 members were found ineligible.
The total Ballots received was revised to a total of 40 Ballots.
There were 31 Votes in favor of adopting the New ByLaws.
There were 30 Votes in favor of adopting the new CCR's.
There were 3 Votes not in favor of adopting the CCR's
There were 2 Votes not in favor of adopting the By Laws and CCR's
There were 7 Non-responsive votes.

Based upon a total voting block of 40 member votes with a 70% vote total required in favor of adoption. It would require a total of 30 votes to adopt the new ByLaws and CCR's
A total of 30 votes in favor of adopting the new 2015 DMCA ByLaws and CCR's was achieved.
There were no revisions made to the 2015 ByLaws and CCR's. All sections remained as submitted to the Membership.

You will note further in the 2015 Annual Meeting Report an acknowledgment of the filing of the new 2015 DMCA ByLaws and CCR's with Ouray County.

With the adoption of the new 2015 ByLaws and CCR's it is the Boards belief that this will provide future DMCA Board of Directors the tools to identify and enforce the accepted guidelines for the operation of the DMCA both fairly and without any arbitrary decisions.

DMCA – Overall Operation and Financial Position:

The Board has consistently reviewed and maintained our level of income in response to our current financial responsibilities. The income from dues and water use overages has greatly improved. We are seeing a higher level of income during our 1st and 2nd quarters of the fiscal year which in turn helps us to manage our reoccurring financial debts. This also helps in forecasting our cash flow for unforeseen repairs and maintenance that can occur later in the year.

I would like you to note that this improvement would not be possible without the effort of John Young, your Treasurer, and his wife Glenda. While Glenda may not be a member of the Board of Directors her help with producing the financial report that John provides the Board for our review is a contribution that I want to take this time to personally thank Glenda for. The effort it takes to gather and maintain this information for this report are very important to myself and the Board.

As to current liabilities, I have a concern with respect to our future costs for attorney fees in the matter of the lawsuit between DMCA and Mr. Valentine. We will continue to incur legal fees to litigate this case for an unknown period of time. While this issue is very close to a resolution there will be additional costs. I feel the DMCA continues to operate on a positive financial basis. However, due to our current fiscal income the Board may consider an assessment if our financial needs were to change relative to the lawsuit.

DMCA – Summary of Valentine Lawsuit:

The status of the lawsuit remains ongoing. We have had written summations sent to the court as requested and attended a mediation hearing on November 10, 2015. Based upon our signed agreement with the mediator I feel I cannot openly discuss the content of the hearing at this time.

I can state that I have the upmost confidence in Mr. Jon Pfeifer and his current representation on our behalf. Jon has helped both myself and the Board to understand the current and possible future legal procedures that may be directed by the court. At this time we have a tentative court date in December with a possible final court date in January. As of this date, neither Jon nor I have any confirmation of the dates. The results of the mediation hearing will have been sent to the court and I understand that after the court has an opportunity to review this information they will set a new court date.

At this time, the Board acted to remove the non-compliant wooden structure that was erected in violation of the DMCA ByLaws and CCR's. The Board retained Mr. Greg Ahlberg to dismantle and transport all of wooden sections of the structure to a storage facility south of Montrose. This was done with the full approval of the court. There remains several piles of debris, tarps and piles of non-useable construction material where the structure was located. There is a flat utility trailer, camper shell and barbecue at the sight. All personal belongings were also removed and stored at the storage facility.

The items that remain were left on the property because they were not a physical part of the wooden structure and not stated in the courts order to be removed. I have tried to protect the remaining items to prevent them from being blown into other Members yards. If this should occur please inform me so I can address it as quickly as possible.

I hope to have an update for the Membership regarding any future litigation in this matter.

My Thanks:

Again, I want to take this opportunity to thank each individual Board Member for their service. The time out of your daily lives to meet, discuss and carry out each of your responsibilities as a Board Member deserves the thanks and gratitude of each Dallas Meadow home owner. I hope each member of the Association will take a moment to walk up and just say "thank you".

I also want to acknowledge the help that your Secretary, Judi Snelling has given the Board. She has researched, studied, copied, distributed, translated and supplied critical information that the Board and I would never have had time to obtain or in some cases even understand.

My thanks to Bill Lindler, he has overseen the Architectural Committee duties to maintain the design and construction requirements of the DMCA in accordance with our CCR's.
It takes a good understanding of construction to a review and apply DMCA building standards and still remember the issues related to the Ouray County Building Department.

My thanks to Vince Snowbarger, your Vice President. I think it would be a good idea in the future if one of our Board Members has a legal background. Vince is who I look to for advice on everything legal. I only have a limited experience with legal matters and he has helped me to better understand the legal process especially those we are currently engaged in.

My thanks to Lysa Riggs. She has been a great help in managing the insurance coverages that we must maintain as an HOA and our website. Her contribution during the revision and updating of the BYLaws and CCR's provided a calming voice during our member disagreements.

I cannot begin to express my gratitude to each of you for your dedication and service.

Thank you again, you are a great team!
Your desire to do what is best for the DMCA is and I know will continue in the best interest of all.

I hope to see all of our members at the annual meeting.

Respectfully,

Gordon Mull

DMCA – President

DALLAS MEADOWS COMMUNITY ASSOCIATION

P.O. Box 853
Ridgway CO. 81432

DMCA Members,

The following is a brief summary of the events and legal actions that have taken place prior to October 13, 2015 between the DMCA and Mr. Garth Valentine. The following information was requested by your Board from Mr. Jon Pfeifer who has been retained as the DMCA's legal counsel in this matter. This summary is being provided in effort to help all DMCA members to have a clear understanding and current status of the pending legal action that has been taken on your behalf.

There is also a brief explanation by Mr. Pfeifer regarding the recommended postponement in filing and recording the revised DMCA Bylaws and CCR's for 2014. This recommendation by Mr. Pfeifer was the basis for the Boards decision to postpone the filing of these documents with the State of Colorado. The following summary was addressed and e-mailed to my attention.

Gordon,

The lawsuit with Garth, filed approximately in December of last year, is ongoing. We sought a preliminary injunction requiring Garth to remove the structure from his property, or if he refused, seeking to restrain him from preventing the HOA from removing the structure. The initial hearing was delayed until March due primarily to scheduling with the court (initially, there was a conflict of interest with the judge assigned, and then it took some time to schedule a hearing with the new judge). The hearing required a second day upon Garth's request (I felt we needed half a day total for that initial hearing), and we filed written closing argument after time ran out on that second day. After the hearing, the judge granted the HOA's motion for preliminary injunction in late May of 2015, requiring Garth to remove the structure, or if he did not do so within 30 days from the order, preventing him from interfering with the HOA's efforts to remove the structure.

Garth did not move the structure on his own. The HOA arranged to move it and it is now being stored pending the resolution of the case. The cost of such storage is to be assessed to Garth. I believe the structure was moved approximately in August of 2015.

Garth filed a notice of appeal of the order on the preliminary injunction. The opening brief of that appeal is due from him on November 18. He has not filed for a stay of the proceedings, so we will proceed to trial on January 13, unless something changes. The filing of the notice of appeal led me to request to move the initial trial from approximately August to January, as I did not want to prepare for trial and then have the proceedings stayed pending the appeal. That was an effort to reduce costs to the HOA by not preparing twice for one trial. We are scheduled for a status conference on October 15 (this Thursday) to confirm the trial date. The trial is scheduled for 3 days (much longer than the half day I requested) at Garth's request. I will request that the judge rule on our motion for summary judgment, which for whatever reason he has not done. It has been pending for several months.

DALLAS MEADOWS COMMUNITY ASSOCIATION

P.O. Box 853
Ridgway CO. 81432

Last week, Garth filed a request for discovery and production of documents while I was traveling. Responses are due 35 days from October 6, which is when he sent the requests. They are in violation of the rules and so I plan to respond that they must conform to the rules of civil procedure.

Finally, we are scheduled for mediation, which was ordered by the court, on November 10 at 1:00 pm in Delta. Gordon knows about this and has cleared his schedule. Other board members are certainly welcome to participate. I do not have high hopes for a resolution, given that I do not believe that Garth appreciates his actual legal situation.

I did not record the amended declaration previously because until we had moved the structure, I felt the primary issue in the case was whether removal was proper. I did not want to risk having to go through another hearing on the preliminary injunction in light of having filed an amended declaration. Now, the issue is whether the court properly granted the order for a preliminary injunction, and if it becomes an issue, we can deal with it at the trial that is scheduled to take place anyways. I believe we can record the amended declaration without much consequence to this case. I also believe that under the amended declaration, the structure would be a violation of the covenants. (It requires residences to be 1200 square feet or more and prohibits tents/shacks/etc...). I am awaiting the notarized/signed last page of the declaration to arrive in the mail, after which I will have the declaration along with the approving ballots recorded.

Please let me know if you have questions or comments regarding this case or other issues facing the HOA. The time that has been spent on the actual issues to be resolved has been minimal, but Garth simply cannot limit the scope of this dispute to the structure. He believes it is about his entire history of ownership and fights with the HOA. Although pro se litigants are in theory held to the same standards as represented litigants, they often are given a lot of leeway by judges to state their cases. Unfortunately, that has meant much more time spent in this matter than should be necessary.

Please do not hesitate to contact me with any questions you may have.

Thank you,

Jon

Jon Pfeifer
RIDER & QUESENBERRY, LLC

PLEASE NOTE OUR NEW ADDRESS:
751 Horizon Court, Suite 200
Grand Junction, CO 81506
Phone: 970-257-1917
Fax: 970-242-3749
jpfeifer@rqlawllp.com

Vice President's Report – Vince Snowbarger

Lot 11 Liens and Assessments. Last year, it was reported that liens in the amount of $11,905.00 had been filed against Lot 11 (Loyd property, Blue House). At that time the owners (Loyds) had filed for bankruptcy which put collections on hold. The Loyd's received their discharge in bankruptcy on November 29, 2014, ending their personal liability for assessment and dues due and payable up to that point in time. The Board contends that the personal discharge did not discharge the liens against the property itself nor does it discharge the Loyds from amounts accrued after discharge. Dues and penalties for 2015 are $545 and assessments for violations of covenants continue to accrue at the rate of $1,000 per month.

Loyds appear to have relinquished their rights to the property in the bankruptcy court, but title to the property has not changed to the lender. In fact, the tenants continued to pay rent directly to the Loyds and vacated the property at the end of September. As of October 15, 2015, a records search showed the title is still in the names of the Loyds.

On August 30, 2015, the property was listed for sale for $399,999. Assessed value for 2015 is $388,850. The listing also indicated that the property "needs some repairs such as a new roof, exterior pain and lots of TLC." Amounts claimed by the mortgage holders in the bankruptcy were CitiMortgage for $252,819 and Bank of America for $99,426. This totals $352,245 but does not include any interest accrued since that time.

On October 6, 2015, the association filed an updated lien for $35,466.00. (This includes amounts previously claimed but still unpaid and provides notice that assessments continue to accrue.) Priority of the liens versus mortgages are too complicated to discuss here, but the association should realize some recovery and should be involved in the settlement of the sale.

SECRETARY 2015 ANNUAL REPORT

Old Business update:

Ouray County Proposed Visual Impact changes

After 3 Ouray County Commissioner (BOCC) hearings in 2014 & early 2015 the proposed Visual Impact (VI) regulations has been indefinitely suspended by the County Commissioners. Thanks to 3 years of efforts of a majority of the County property owners, Real Estate community, engineers, architects and attorneys for the various ranches in Ouray County...the negative affects on the County & affected properties far outweighed the positives. This proposed Visual Impact regulations that would have greatly affected Dallas Meadows houses /properties. Should these VI regulations re-appear for consideration by the BOCC, DMCA will notice the membership.

DMCA 2014 BY-Laws and CCR

The new 2014 By-Laws & Covenants Conditions Restrictions (CCR's), were passed in January of 2015. The Board attorney recommended not filing the newly passed 2014 By Laws & CCR's during the ongoing law suit. The formal filing with Ouray County of the new 2014 By Laws & CCR's was accomplished on 11/16/15. (See attached filing).

New Business:

Dallas Meadows 2015 Real Estate report - (see attached spread sheet):

During the last year: 11/14- 11/15, there have been:

- 4 Lots sold:
  - Average sold price= $175,750
  - Average per acre= $50,936
- 3 Houses sold:
  - Average sold price=$568,333
  - Average per Square foot = $233.37/SF

Current Active/for sale properties:

- 5 houses –Asking prices ranging from $369,900 - $939,900
- 2 Lots-Asking prices $159,900 & $200,000

Please welcome our new neighbors:

- Lot # 22-Tom & Sandra Hennessey
- Lot # 38 Caroline McAndrews
- Lot # 24 Rick & Bernadette Taylor
- Lot # 32 Thomas & Sharon Remmler
- Lot # 35 Thomas & Deborah Seaman
- Lot # 1 Andrea Sokolowski/ Grant Kleeves

215247
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Michelle Nauer, Clerk & Recorder
Ouray County, CO RP $0.00
11-16-2015 02:01 PM Recording Fee $331.00

AMENDED AND RESTATED COMMON INTEREST COMMUNITY DECLARATION OF THE DALLAS MEADOWS COMMUNITY ASSOCIATION

WHEREAS, the Declaration of the Dallas Meadows Community Association ("DMCA") was recorded August 8, 1979, in Book 191 at Page 952 (the "Initial Declaration") of the records of the Ouray County, Colorado Clerk and Recorder; and

WHEREAS, the Initial Declaration has not been amended or modified in the almost forty years since its creation; and

WHEREAS, the Initial Declaration no longer reflects the Lot Owners' desires with respect to some of the permitted uses and is outdated after various law changes since the date of the Initial Declaration's creation; and

WHEREAS, the Lot Owners desire to amend the Initial Declaration in accordance with its provisions, and have approved this Amended Declaration as a substitute for the Initial Declaration.

The undersigned, being the owners of the following real property located in the County of Ouray, State of Colorado, do hereby submit the real property and all improvements as described on that plat recorded at reception number 125957 of the records of Ouray County thereon to the provisions of the Colorado Common Interest Ownership Act, C.R.S., §§ 38-33.3-101 et seq., for the purpose of creating and/or continuing the Dallas Meadows Community Association, and, making reference to that plat recorded at reception number 125957 of the records of the Ouray County Recorder, and do hereby DECLARE that such property and all improvements thereon shall be held and conveyed subject to the following terms, covenants, restrictions, and conditions:

ARTICLE 1
DEFINITIONS

1.1 Act. The Act is the Colorado Common Interest Ownership Act, C.R.S., §§ 38-33.3-101 et seq., as it may be amended from time to time.

1.2 Allocated Interests. The Allocated Interests are undivided interests in the Common Elements, the Common Expense liability, and votes in the DMCA, allocated to Lots in the Common Interest Community. The Allocated Interests are described in Article 7 of this Declaration.

1.3 ARC. The ARC is the Architectural Review Committee.

1.4 Association. The Association is the Dallas Meadows Community Association, a Colorado non-profit corporation. It is hereby designated as the Association of Lot Owners pursuant to C.R.S., § 38-33.3-301. The Association shall have the following powers:

CMA Summary Report

RESIDENTIAL Summary Statistics

High	Low	Average	Median
LP:$939,900	$369,900	$379,621	$696,000
SP:$650,000	$430,000	$568,333	$625,000

RESIDENTIAL - Active

Number of Properties: 5

Num	MLS #	Address	Area	Price	Apx.Tot SF	Acres #	Apx.Tot SF	DOM	LP	$/Apx.Tot SF
1	712567	921 Meadow Circle	Ouray County	$369,900	3,011	2.90	3,011	23	$369,900	$122.85
2	704270	227 Dallas Court	Ouray County	$649,000	3,753	4.17	3,753	229	$649,000	$172.93
3	709633	516 County Road 24	Ouray County	$695,000	4,194	2.63	4,194	117	$695,000	$165.71
4	704100	137 River Lane	Ouray County	$799,900	3,892	7.38	3,892	233	$799,900	$205.52
5	701180	711 Meadows Circle	Ouray County	$939,900	3,527	2.24	3,527	323	$939,900	$266.49
Avg					**3675**	**3.86**	**3675**	**185**	**$690,740**	**$186.70**
Min					**3011**	**2.24**	**3011**	**23**	**$369,900**	**$122.85**
Max					**4194**	**7.38**	**4194**	**323**	**$939,900**	**$266.49**
Med					**3753**	**2.90**	**3753**	**229**	**$695,000**	**$172.93**

RESIDENTIAL - Sold

Number of Properties: 3

Num	MLS #	Address	Area	Price	Apx.Tot SF	Acres #	Apx.Tot SF	DOM	LP	$/Apx.Tot SF	SP	$/Apx.Tot SF
1	697455	636 Meadow Circle	Ouray County	$430,000	1,878	4.08	1,878	293	$445,000	$236.95	$430,000	$228.97
2	697100	499 Meadow Circle	Ouray County	$625,000	2,666	5.17	2,666	143	$697,000	$261.44	$625,000	$234.43
3	696567	283 Meadow Circle	Ridgway	$650,000	2,746	7.00	2,746	252	$719,000	$261.84	$650,000	$236.71
Avg					**2430**	**5.42**	**2430**	**229**	**$620,333**	**$253.41**	**$568,333**	**$233.37**
Min					**1878**	**4.08**	**1878**	**143**	**$445,000**	**$236.95**	**$430,000**	**$228.97**
Max					**2746**	**7.00**	**2746**	**293**	**$719,000**	**$261.84**	**$650,000**	**$236.71**
Med					**2666**	**5.17**	**2666**	**252**	**$697,000**	**$261.44**	**$625,000**	**$234.43**

CMA Summary Report

LAND Summary Statistics

High	Low	Average	Median

	LP:$225,000	**$129,000**	**$75,921**	**$179,450**
	SP:$225,000	**$115,000**	**$157,500**	**$145,000**

LAND - Active

Number of Properties: 2

Num	Address	MLS #	Area	Price	Acres #	DOM	LP	$/Acres #
1	1151 Meadows Circle	712274	Ouray County	$159,900	2.88	33	$159,900	$55,520.83
2	112 Dallas Court	691612	Ouray County	$200,000	4.40	585	$200,000	$45,454.55
Avg					**3.64**	**309**	**$179,950**	**$50,487.69**

LAND - Sold

Number of Properties: 4

Num	Address	MLS #	Area	Price	Acres #	DOM	LP	$/Acres #	SP	$/Acres #
1	148 Meadows	692472	Ridgway	$115,000	4.70	351	$129,000	$27,446.81	$115,000	$24,468.09
2	71 Meadows Circle	693323	Ouray County	$140,000	2.50	367	$150,000	$60,000.00	$140,000	$56,000.00
3	143 Meadows Circle	703892	Ouray County	$150,000	2.00	2	$199,000	$99,500.00	$150,000	$75,000.00
4	38 Uncompahgre Court	711561	Ouray County	$225,000	4.65	2	$225,000	$48,387.10	$225,000	$48,387.10
Avg					**3.46**	**180**	**$175,750**	**$58,833.48**	**$157,500**	**$50,963.80**
Min					**2.00**	**2**	**$129,000**	**$27,446.81**	**$115,000**	**$24,468.09**
Max					**4.70**	**367**	**$225,000**	**$99,500.00**	**$225,000**	**$75,000.00**
Med					**3.58**	**176**	**$174,500**	**$54,193.55**	**$145,000**	**$52,193.55**

Ouray County Marijuana Ordinances

Here's the link to the newly proposed 2014 Ouray County Marijuana Resolution & regulations below.
http://www.ouraycountyco.gov/DocumentCenter/View/2214

These are the issues that pertain to the DMCA subdivision properties:

(A) Licensed marijuana cultivation facilities and premises may propagate, Cultivate, harvest, prepare, cure, package and label marijuana, whether in concentrated form or otherwise, and sell marijuana that they have cultivated to a person licensed by the State of Colorado to operate a medical marijuana facility or retail marijuana store, production facility, testing facility, or other cultivation facility. Licensed marijuana cultivation facilities are prohibited from selling marijuana to any consumer.

(B) Marijuana cultivation facilities may be located anywhere in unincorporated Ouray County where farming and ranching is a use by right pursuant to the Ouray County Land Use Code, however, no cultivation may occur without a license under this Ordinance. No cultivation facility may be located within 1000 feet of a school or day care/child care facility. All cultivation activities shall occur within an enclosed space, and shall be subject to all security requirements imposed by this Ordinance and by state law and regulations.

(C) There shall be no more than five (5) marijuana cultivation facilities licensed in Ouray County during 2015, and no more than ten (10) marijuana cultivation facilities licensed in Ouray County in 2016. License applications will be accepted for review on a "first come, first served" basis, commencing at 8:00 a.m. on January 20 by hand-delivery to the Land Use offices at 111 Mall Road, Ridgway, Colorado.....

(D) Marijuana cultivation facilities shall be subject to all provisions of the Ouray County Land Use Code applicable to farming and ranching uses and facilities.

(E) Operators of marijuana cultivation facilities shall use best practices to conserve energy and water in cultivation operations, and shall avoid the use of treated water from a domestic water provider for irrigation purposes.

The County Commissioners have approved the final version on 11/17/15....however, the County has not published the final documents by the Annual Meeting report publication date. Other additions to the regulations from the County Commissions & Building department are as follows:

- Ag grow property has to be 35+ acres /
- Property must have sufficient irrigation water and/or well
- Grow operation has to be inside buildings (as per State regs with extensive security set up required by the State & county)
- Marijuana Ag buildings have to be approved by the Building department (unlike ag & farm buildings that require no prior approval)

See attached pictures of the current grow operation in Ouray County. There is 1 metal agricultural building & 5 large hot houses-white tents. These types of buildings are approved Ag buildings for Marijuana grow operations.

Dallas Meadows subdivision is in the county-valley zone. The DMCA Board reviewed these new County regulations with respect to the possible future affect on Dallas Meadows properties & property values. The new By-Laws & CCR's expressly disallow any Commercial operations in the Dallas Meadows subdivision. The Board voted on 11/23/15 to approve a resolution to specifically disallow commercial Marijuana operations. This prohibition would include Ag grow operations, retail stores and infused products as commercial operations or home businesses. The Board is working with our attorney to ascertain if this resolution needs to be added to the CCR's by membership vote.

DMCA Annual Treasurers Report
2015

As stated in the 2014 report and again in 2015, legal costs and water system testing and maintenance continue to be DMCS's primary financial expenditures. While water system expenses fell well below budget, legal expenses exceeded budget by approximately $25,000 and contributed to the reduction in DMCA's total assets of $92,319 in 2014 to $59,174 as of September 2015. While these figures seem excessive, this is the price of doing business as a Colorado state regulated HOA which mandates that covenants and bylaws be enforced and property values protected.

Last year, the Board announced that a reserve study was to be conducted to determine the funding requirements for a State compliant reserve account. This account would contain funds set aside for catastrophic repairs to the DMCA water system. The study was completed by an independent HOA expert and the results reported to the Board. The funding requirements presented were far beyond both the short term and long term financial capabilities of DMCA. Compliance would have required that assessments of unreasonable proportion be imposed on all Dallas Meadows property owners. The Board voted to seek out other means of compliance and this is an ongoing effort at this time.

This year the new DMCA dues and water fees payment schedule was implemented and seemed to work as intended. Invoices were mailed out in January and payment was due July 31. Compliance was good with only a couple of exceptions and operating funds were in the DMCA accounts early in the year rather than at the end of the year as before. For the year 2016, the same schedule will be followed. Invoices will be mailed in January of 2016 and payment in full will be due prior to July 31, 2016. As permitted in past years, payment may be made in two equal payments with the total due prior to July 31, 2016. Payments received after July 31, 2016 will be subject to a $45.00 late fee.

Dallas Meadows Community Association
Annual Buget 2015 versus Actual Expenses
Through November

	BUDGET	ACTUAL		
Water Testing	$ 6,000.00	$ 5,299.30		
Electricity	$ 1,600.00	$ 1,415.45		
U. S. Post Office	$ 300.00	$ 87.00		
Office/Copy	$ 150.00	$ 65.29		
Tank Access Aggreement	$ 250.00	$ 500.00	*	
Water System Repairs & Maintenance	$ 6,000.00	$ 1,850.00	**	
Liability Insurance	$ 2,000.00	$ 1,006.00		
IRS/San Juan Accounting	$ 300.00	$ 395.00		
Attorney	$ 5,000.00	$ 32,915.43		
			$ 30,972.02	lot 21***
			$ 1,943.41	other
Meter Reading	$ 1,400.00	$ 1,227.60		
WEB Site	$ 100.00	$ 174.10		
Annual Meeting	$ 150.00	$ 65.00		
Yearly Picnic	$ 500.00			
Miscellaneous/Contengency	$ 1,000.00	$ 5,064.09	****	
	$ 24,750.00	**$ 50,064.26**		
Income				
HO Fees	$ 20,000.00	$ 18,950.00		
Water Overage	$ -	$ 1,077.60		
	$ 20,000.00	**$ 20,027.60**		

Assets through September

Checking Account Balance	$ 9,011.43
Savings Account Balance	$ 5,011.80
Reserve Account Balance	$ 42,022.41
Total Assets	**$ 56,045.64**

Total water taps available	**5** X $6,500	$ 32,500.00

* 2014 access fee paid in 2015
** Reserve Study
*** Includes $5,000 surety bond
**** Lot 21, Building removal/storage/reimbursment

(9)

Dallas Meadows Community Association
Proposed Annual Buget 2016

Water Testing	$ 6,000.00
Electricity	$ 1,600.00
U. S. Post Office	$ 300.00
Office/Copy	$ 150.00
Tank Access Aggreement	$ 250.00
Water System Repairs & Maintenance	$ 6,000.00
Liability Insurance	$ 2,000.00
IRS/San Juan Accounting	$ 400.00
Attorney	$ 10,000.00
Meter Reading	$ 1,400.00
WEB Site	$ 325.00
Annual Meeting	$ 150.00
Yearly Picnic	$ 500.00
Miscellaneous/Contengency	$ 2,000.00
	$ 31,075.00

Income

HOA Dues & Fees	**$ 20,000.00**

(9)

INSURANCE REPORT

1. We currently carry a General Liability policy with $1million per occurrence/$2million aggregate.

2. We also carry an Umbrella Liability policy with $1million per occurrence that covers over and above the GL policy. We do not yet have a quote for the new premium, but as last year's was $801., I do not anticipate any more than a 5% increase at most.

3. Our Directors and Officers Liability policy doesn't renew until Feburary 2016, and we expect no changes to the limits. We will use 5% as an estimated increase

Respectfully submitted,

Elizabeth L. Riggs
Board Member

DMCA Architectural Control Committee – Chairman's Report from Bill Lindler

ACC Includes: (Seeking One Additional Member)

Bill Lindler – bill.lindler@msn.com and 970.318.1367

Kent Parkison – oldwestbuilders@gmail.com and 970.901.4242

Tom Bennett – tomb@fone.net and 970.729.0516

Ben Godbey – ben.godbey@gmail.com and 970-318-0544

The ACC policies and procedures are available for download on the DMCA web site: http://dallasmeadows.com/ As a reminder, simply download the form and instructions and then submit the request for approval to anyone on the ACC. Contact any ACC member or send to Bill Lindler at 970.318.1367 or bill.lindler@msn.com for additional assistance or questions.

DMCA ACC Request and Approvals included One house and Four Projects since the last annual meeting:

Projects

1. Lot 13 – Snowbarger: Fence
2. Lot 37 – Scholl: Canopy
3. Lot 10 – Lindler: Fence
4. Lot 25 – Szwarc: Solar Panels

Homes:

1. Lot 1 – Andrea Sokolowski: Home Approved by ACC – construction to start soon

Other Items:

1. Lot 31 – Home design underway. Larry Coulter is Builder, construction planned in 2016.
2. Lot 6 – Wilson: Barn design underway.
3. Lot 24 – Possible garage with apartment above planned

DALLAS MEADOWS COMMUNITY ASSOC 2015 Drinking Water Quality Report
For Calendar Year 2014

Public Water System ID: CO0246201

Esta es información importante. Si no la pueden leer, necesitan que alguien se la traduzca.

We are pleased to present to you this year's water quality report. Our constant goal is to provide you with a safe and dependable supply of drinking water. Please contact LARRY BENASUTTI at 970-626-5397 with any questions about the Drinking Consumer Confidence Rule (CCR) or for public participation opportunities that may affect the water quality.

General Information

All drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline (1-800-426-4791) or by visiting http://water.epa.gov/drink/contaminants.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV-AIDS or other immune system disorders, some elderly, and infants can be particularly at risk of infections. These people should seek advice about drinking water from their health care providers. For more information about contaminants and potential health effects, or to receive a copy of the U.S. Environmental Protection Agency (EPA) and the U.S. Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and microbiological contaminants call the EPA Safe Drinking Water Hotline at (1-800-426-4791).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

- **Microbial contaminants:** viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- **Inorganic contaminants:** salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- **Pesticides and herbicides:** may come from a variety of sources, such as agriculture, urban stormwater runoff, and residential uses.
- **Radioactive contaminants:** can be naturally occurring or be the result of oil and gas production and mining activities.
- **Organic chemical contaminants:** including synthetic and volatile organic chemicals, which are byproducts of industrial processes and petroleum production, and also may come from gas stations, urban storm water runoff, and septic systems.

In order to ensure that tap water is safe to drink, the Colorado Department of Public Health and Environment prescribes regulations limiting the amount of certain contaminants in water provided by public water systems. The Food and Drug Administration regulations establish limits for contaminants in bottled water that must provide the same protection for public health.

Lead in Drinking Water

If present, elevated levels of lead can cause serious health problems (especially for pregnant women and young children). It is possible that lead levels at your home may be higher than other homes in the community as a result of materials used in your home's plumbing. If you are concerned about lead in your water, you may wish to have your water tested. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. Additional information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline (1-800-426-4791) or at http://www.epa.gov/safewater/lead.

Source Water Assessment and Protection (SWAP)

The Colorado Department of Public Health and Environment has not provided us with a Source Water Assessment Report for our water supply.For general information visithttp://wqcdcompliance.com/ccr. Sample reports are located under "Source Water Assessment Reports", and then "Assessment Report by County". Select OURAY County. Source Water Assessment Reports provide a screening-level evaluation of potential contamination that ***could*** occur. It ***does not*** mean that the contamination ***has or will*** occur. We can use this information to evaluate the need to improve our current water treatment capabilities and prepare for future contamination threats. This can help us ensure that quality finished water is delivered to your homes. In addition, the source water assessment results provide a starting point for developing a source water protection plan. Potential sources of contamination in our source water area are listed on the next page.

Please contact us to learn more about what you can do to help protect your drinking water sources, any questions about the Drinking Water Consumer Confidence Report, to learn more about our system, or to attend scheduled public meetings. We want you, our valued customers, to be informed about the services we provide and the quality water we deliver to you every day.

Our Water Sources

Source	Source Type	Water Type	Potential Source(s) of Contamination
WELL	Well	Groundwater	Mining operations, agriculture

Terms and Abbreviations

- **Maximum Contaminant Level (MCL)** – The highest level of a contaminant allowed in drinking water.
- **Treatment Technique (TT)** – A required process intended to reduce the level of a contaminant in drinking water.
- **Action Level (AL)** – The concentration of a contaminant which, if exceeded, triggers treatment and other regulatory requirements.
- **Maximum Residual Disinfectant Level (MRDL)** – The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- **Maximum Contaminant Level Goal (MCLG)** – The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- **Maximum Residual Disinfectant Level Goal (MRDLG)** – The level of a drinking water disinfectant, below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- **Violation (No Abbreviation)** – Failure to meet a Colorado Primary Drinking Water Regulation.
- **Formal Enforcement Action (No Abbreviation)** – Escalated action taken by the State (due to the risk to public health, or number or severity of violations) to bring a non-compliant water system back into compliance.
- **Variance and Exemptions (V/E)** – Department permission not to meet a MCL or treatment technique under certain conditions.
- **Gross Alpha (No Abbreviation)** – Gross alpha particle activity compliance value. It includes radium-226, but excludes radon 222, and uranium.
- **Picocuries per liter (pCi/L)** – Measure of the radioactivity in water.
- **Nephelometric Turbidity Unit (NTU)** – Measure of the clarity or cloudiness of water. Turbidity in excess of 5 NTU is just noticeable to the typical person.
- **Compliance Value (No Abbreviation)** – Single or calculated value used to determine if regulatory contaminant level (e.g. MCL) is met. Examples of calculated values are the 90th Percentile, Running Annual Average (RAA) and Locational Running Annual Average (LRAA).
- **Average (x-bar)** – Typical value.
- **Range (R)** – Lowest value to the highest value.
- **Sample Size (n)** – Number or count of values (i.e. number of water samples collected).
- **Parts per million = Milligrams per liter (ppm = mg/L)** – One part per million corresponds to one minute in two years or a single penny in $10,000.
- **Parts per billion = Micrograms per liter (ppb = ug/L)** – One part per billion corresponds to one minute in 2,000 years, or a single penny in $10,000,000.
- **Not Applicable (N/A)** – Does not apply or not available.

Detected Contaminants

DALLAS MEADOWS COMMUNITY ASSOC routinely monitors for contaminants in your drinking water according to Federal and State laws. The following table(s) show all detections found in the period of January 1 to December 31, 2014 unless otherwise noted. The State of Colorado requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year, or the system is not considered vulnerable to this type of contamination. Therefore, some of our data, though representative, may be more than one year old. Violations and Formal Enforcement Actions, if any, are reported in the next section of this report.

Note: Only detected contaminants sampled within the last 5 years appear in this report. If no tables appear in this section then no contaminants were detected in the last round of monitoring.

Lead and Copper Sampled in the Distribution System								
Contaminant Name	**Time Period**	**90th Percentile**	**Sample Size**	**Unit of Measure**	**90th Percentile AL**	**Sample Sites Above AL**	**90th Percentile AL Exceedance**	**Typical Sources**
Copper	09/27/2012 to 09/27/2012	0.08	5	ppm	1.3		No	Corrosion of household plumbing systems; Erosion of natural deposits

Disinfection Byproducts Sampled in the Distribution System										
Name	**Year**	**Average**	**Range Low – High**	**Sample Size**	**Unit of Measure**	**MCL**	**MCLG**	**Highest Compliance Value**	**MCL Violation**	**Typical Sources**
Total Haloacetic Acids (HAA5)	2014	1.2	1.2 to 1.2	1	ppb	60	N/A		No	Byproduct of drinking water disinfection
Total Trihalomethanes (TTHM)	2014	12.8	12.8 to 12.8	1	ppb	80	N/A		No	Byproduct of drinking water disinfection

Radionuclides Sampled at the Entry Point to the Distribution System									
Contaminant Name	**Year**	**Average**	**Range Low – High**	**Sample Size**	**Unit of Measure**	**MCL**	**MCLG**	**MCL Violation**	**Typical Sources**
Combined Radium	2014	0.1	0.1 to 0.1	1	pCi/L	5	0	No	Erosion of natural deposits
Combined Uranium	2014	1.5	1.5 to 1.5	1	ppb	30	0	No	Erosion of natural deposits

Inorganic Contaminants Sampled at the Entry Point to the Distribution System									
Contaminant Name	**Year**	**Average**	**Range Low – High**	**Sample Size**	**Unit of Measure**	**MCL**	**MCLG**	**MCL Violation**	**Typical Sources**
Arsenic	2014	2.1	2.1 to 2.1	1	ppb	10	0	No	Erosion of natural deposits; runoff from orchards; runoff from glass and electronics production wastes
Fluoride	2014	0.23	0.23 to 0.23	1	ppm	4	4	No	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer and aluminum factories
Nitrate	2014	0.57	0.57 to 0.57	1	ppm	10	10	No	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits

Unregulated or Secondary Contaminants**						
**Secondary standards are non-enforceable guidelines for contaminants that may cause cosmetic effects (such as skin, or tooth discoloration) or aesthetic effects (such as taste, odor, or color) in drinking water.						
Contaminant Name	**Year**	**Average**	**Range Low – High**	**Sample Size**	**Unit of Measure**	**Secondary Standard**
Total Dissolved Solids	2014	610	610 to 610	1	ppm	500

Violations, Significant Deficiencies, and Formal Enforcement Actions

No Violations or Formal Enforcement Actions