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President's Message

A Quarterly Newslotter

By John Troka

As fall begins in Stagecoach, we look forward to the changing colors and cooler, and hopefully, wetter days ahead. Unfortunately this year the change in seasons may also bring with it a significant challenge for our members whose lots are not currently served by the centralized water and sanitation system.

As we have previously communicated, the Colorado Division of Water Resources (CDWR) has temporarily suspended the issuance of individual residential well permits in the Stagecoach area due to the over-appropriation of water on the upper Yampa River and its tributaries. In response to the CDWR's action, the Morrison Creek Metropolitan Water and Sanitation District has temporarily suspended the issuance of sanitary vault permits in those areas of the District not currently served by their centralized sanitation system.

The CDWR has indicated they expect to make a final determination on how they will evaluate, restrict and/or grant new household well permits in the Stagecoach area by October 15th. The Association, along with the County and Morrison Creek are awaiting this information to determine what action(s) will be necessary to protect the property rights and values of all those owners impacted by the CDWR's determination.

While there are still many unknowns, this is a critical issue for all members of the Association. The Board and the Association's legal counsel are closely monitoring events and communications on this issue and we have been in contact with the State, County and district officials regarding our concerns.

You can find more information about this issue on our website at www.Stage-coach.com. We will also post additional information and updates on the website as appropriate. I encourage each of you to actively engage in understanding and participate with the Association in seeking a positive resolution of this matter

In other Association news, the Association's annual membership meeting was held in July. Thank you to all members who joined us for the meeting and for a fantastic BBQ lunch. At the meeting, our members elected Seann Conway, Matt Kaufman and Tom Watts to serve on the Association's Board of Directors. We appreciate their willingness to serve our community and congratulate them on their election.

The Association is also busy wrapping up a successful summer/fall project season.

The Association continues to work on wildfire mitigation efforts. Crews have been working this summer to prepare the hundreds of slash piles currently scattered around the community to be safely and efficiently burned when the snow flies this winter. Crews also completed the clean-up of piles previously burned this past winter and spring.

Another pedestrian/bike trail segment was constructed this summer further expanding the community's trail system

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and increasing its interconnectivity. The new trail runs within an Association common area along the northwest flank of Young's Peak. Additionally, the trailhead for the Nordic trail system was also improved ahead of the winter season with new fencing and resurfacing of the parking area.

We also continued our ongoing efforts to address areas where inadequate drainage or failing culverts are causing, or threaten to cause, significant damage to roads in our community. Projects at two key intersections were recently completed which replaced several failing 45 year old culverts thereby maintaining access to hundreds of owners lots and residences.

As a follow-up to the to the issue of the public accessing BLM land via Shoshone Way in South Shore, the Association recently received notice from the BLM that they completed a survey of their property boundary line. Based on their survey, they've also concluded there is no legal public access point to the BLM parcel from the public right-of-way along Shoshone Way. They will advise individuals contacting the local BLM office of this and direct them to the legal access points reachable via the Stagecoach Dam.

Finally, based on requests and feedback from the membership, the Board will be working this fall and winter on proposals to amend the Association's covenants. Specifically the Board has begun considering an amendment to the covenant on animals to allow for horses and/or chickens. Also being considered is an amendment to the existing covenant which currently prohibits all trailers of any kind from being parked/stored outside of an enclosed garage. There is additional information on these two potential amendment changes available in the member survey which can be found on our website at www.stage-coach.com. If you have not already done so, I would also encourage you to take a few minutes to complete the survey and return it to our Association Manager Bryan Ayer. It is our goal to begin the voting process for these covenant amendment proposals at the next annual membership meeting in July 2018. Prior to then, members will have an opportunity to review and comment on all preliminary and final draft language of any proposed amendments. I want to encourage all members to participate in this review and comment process and, most importantly, to cast your vote for or against the proposals when that time comes.

Enjoy the beautiful fall colors wherever you may be and please continue to send us your thoughts and feedback on issues and concerns impacting our community.

Meet the Association's New Board Members

At the Association's annual membership meeting, three Board members were elected to serve on the Association's Board of Directors. Each director serves a three year term. Joining the Board for the first time are Seann Conway and Matt Kaufman.

Seann Conway is the general manager of Steamboat Golf Club. Seann and his wife Tracy purchased their home in South Shore in 2016.

Matt Kaufman is a realtor with Colorado Group Realty and specializes in the Stagecoach real estate market. Matt recently purchased two lots in the Black Horse I subdivision.

Long-time resident and previous Board member, Tom Watts was re-elected to serve his second consecutive three year term. Tom and his wife Margit purchased their lot at South Shore in 2006 and built a home lot in 2008. While previously part-time residents of Stagecoach, Tom and his wife have recently moved and become Colorado residents.

Also this past May the Board appointed Rob Walker to fill a vacancy on the Board. Rob and his wife Connie moved to Stagecoach in 2016 and currently reside in Morningside. Rob recently retired from his long-time position as a school administrator and educator in Ohio.

Please join me in congratulating all of our new Board members and thank them for the willingness to commit their time and energy towards serving the Association and the Stagecoach community.

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Membership Survey on Potential Covenant Amendments

At the annual meeting, members in attendance were asked to complete a survey about two potential covenants amendments being considered by the Board. The survey was also sent via email to those members having an email address on file with the Association.

The amendments being considered include a change to allow owners to keep horses and chickens and a change to the current covenant restriction prohibiting any and all trailers from being parked/stored outside of an owner's garage.

Changing the Association's covenants requires the support of a significant number of members. The purpose of the survey is to gauge the memberships support for changes to the existing covenants and identify additional restrictions and conditions they would like to see included in any amendment proposal.

If you have not yet completed the survey and would like to provide your thoughts and feedback, you can find a copy at our website at www.stage-coach.com. Please return your completed survey to our Association Manager Bryan Ayer at bayer@steamboatassociations.com.

Outline below is a brief summary of the responses we have received to date:

Respondents:

53% own a residence in Stagecoach.

55% own an undeveloped lot in Stagecoach.

55% own a lot/residence in the northern subdivisions

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(everything from Eagles Watch north).

51% own a lot/residence in the southern subdivisions (everything from Morningside south).

Horses & Chickens:

80% support a change to the existing covenant to allow for the keeping of horses and/or chickens.

17% do not support a change to the existing covenant which prohibits the keeping of livestock.

3% of respondents did not indicate their preference.

A majority of respondents who support an amendment to allow horses favored inclusion of the following additional restrictions/conditions:

- A maximum number of horses per lot
- A minimum lot size

A majority of respondents who support an amendment to allow chickens favored inclusion of the following additional restrictions/conditions:

- Laying hens only, no roosters
- A maximum number of chickens per lot
- Chickens to be confined to a secure coop

Trailers:

53% support a change to the existing covenant to allow for the parking/storage of trailers outside of an enclosed garage.

25% do not support a change to the existing covenant which restricts trailers to parking/storage in an enclosed garage.

22% of respondents support a new covenant which restricts the parking/storage of campers, trailers, boats, OHV, and other equipment on the lots of Stagecoach.

A majority of respondents who support a change to the current covenant prohibiting trailers outside of an enclosed garage favored inclusion of the following additional restrictions/conditions:

- A maximum number of parker/stored trailers outside of an enclosed garage
- Identification of acceptable parking/storage location (i.e. side or rear of residence)

65% support using a portion of the Associations common area for a no or low cost trailer storage facility for members.

50% of respondents support the Association leasing land in/near the Stagecoach community as a low cost storage facility for members.



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2017 Property Valuations

In April, Routt County sent its 2017 Notice of Real Estate Valuation to all property owners in the county. Colorado State law requires counties to complete a real estate valuation every two years. The 2017 valuations reflect real estate sales that occurred between July 2014 and June 2016. The following two tables show the change in the County's assigned market values for developed and undeveloped lots in the various Stagecoach subdivisions.

	Developed Residential Property					
			2017		2015	
	# of	Min	Max	Avg	Avg	% Change
Subdivision	Properties	Market	Market	Market	Market	H/(L)
		Value	Value	Value	Value	
Black Horse I	13	\$ 181,730	\$ 435,630	\$ 345,635	\$ 273,132	26.5%
Black Horse II	11	244,580	508,830	403,942	316,734	27.5%
Blacktail Meadows	2	362,720	410,530	386,625	300,450	28.7%
Coyote Run	19	299,020	803,550	492,593	437,229	12.7%
Double Creek	0	-	-	-	-	-
Eagles Nest	31	173,650	197,780	188,153	122,862	53.1%
Eagles Watch	62	178,990	671,190	410,127	302,719	35.5%
Horseback	14	195,470	643,990	377,679	292,718	29.0%
Meadowgreen	61	142,670	955,230	455,069	337,117	35.0%
Middle Creek Village	8	505,120	680,980	584,373	424,836	37.6%
Morningside	30	95,620	606,820	365,697	297,800	22.8%
Overland	2	155,220	877,200	516,210	390,440	32.2%
Projects I & II	90	169,920	204,480	173,530	109,354	58.7%
Red Hawk Village	27	10,030	370,800	304,532	235,065	29.6%
Sky Hitch I	5	175,410	504,210	336,564	250,358	34.4%
Sky Hitch II	1	309,630	309,630	309,630	-	-
Sky Hitch III	0	-	-	-	-	-
Sky Hitch IV	1	18,440	18,440	18,440	16,630	10.9%
South Shore	35	102,750	765,870	411,363	310,809	32.4%
South Station I	0	-	-	-	_	
South Station II	0	-	-	-	-	
Wagon Wheel	40	90,720	110,880	96,718	56,256	71.9%
Young's Peak	3	461,600	581,960	527,490	373,435	41.3%
SOURCE: Routt Cou	nty County A	Assessor				

	Undeveloped Residential Lots					
			2017		2015	
Subdivision	# of Properties	Min Market Value	Max Market Value	Avg Market Value	Avg Market Value	% Change H/(L)
Black Horse I	87	\$ 5,500	\$ 15,000	\$ 7,190	\$ 10,307	(30.2%)
Black Horse II	59	14,160	14,160	14,160	5,090	178.19%
Blacktail Meadows	28	9,430	9,430	9,430	6,890	36.87%
Coyote Run	6	15,000	43,500	38,750	58,111	(33.3%)
Double Creek	8	14,800	17,760	15,540	11,970	29.82%
Eagles Nest	0	-	-	-	-	-
Eagles Watch	22	30,000	75,000	50,909	51,043	(0.3%)
Horseback	205	2,100	2,500	2,322	2,949	(21.3%)
Meadowgreen	47	43,000	80,000	46,106	32,209	43.15%
Middle Creek Village	4	36,550	43,000	41,388	27,160	52.39%
Morningside	153	6,000	25,000	6,373	5,816	9.58%
Overland	136	3,450	6,000	3,581	4,680	(23.5%)
Projects I & II	0	-	-	-	-	
Red Hawk Village	2	17,400	17,400	17,400	28,000	(37.9%)
Sky Hitch I	80	2,700	51,000	5,558	6,190	(10.2%)
Sky Hitch II	58	2,300	2,700	2,693	3,092	(12.9%)
Sky Hitch III	43	2,700	2,700	2,700	3,100	(12.9%)
Sky Hitch IV	165	2,700	2,700	2,700	3,111	(13.2%)
South Shore	165	11,250	75,000	19,675	20,145	(2.3%)
South Station I	219	2,500	2,500	2,500	3,100	(19.4%)
South Station II	131	3,450	3,450	3,450	3,100	11.29%
Wagon Wheel	0	-	-	-	-	
Young's Peak	71	9,430	14,140	10,359	8,001	29.47%

SOURCE: Routt County County Assessor



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Stagecoach Real Estate Activity

By Rebecca Bailey, Town & Country Properties

2017 has reported sales of 11 houses, ranging from \$265,000 for a 1 bedroom home in Eagles Watch, to \$1,445,000 for a home on 35 acres in Morrison Divide Ranch. Currently, 20 houses are active (5 of them surpassing the \$1M mark). There are another 8 single family homes under contract.

Through July, 4 townhomes have sold, along with 4 condos. One Wagonwheel Condo and 4 Stagecoach Townhomes are pending. There are no active townhome listings, and just one Wagonwheel condo offered at \$145,000. This inventory shortage makes it a great time to market your townhouse or condo before the snow flies!

Lot sales remain active! Sixty two have already closed this year, in comparison to 85 sold in all of 2016. This has been across various subdivisions, and ranged from \$3,250 to \$275,000. Currently, there are 76 active lot listings, and 6 pending.

The information provided is from the Steamboat Springs MLS. It is deemed accurate, but not guaranteed. Statistics are through 9/11/17.



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Out with the old, in with the new...

The Association replaced several failing culverts this summer to improve drainage and protect roads which provide access to hundreds of member lots and residences. This was one of two culverts replaced at the intersection of Filly Trail South and CR16.



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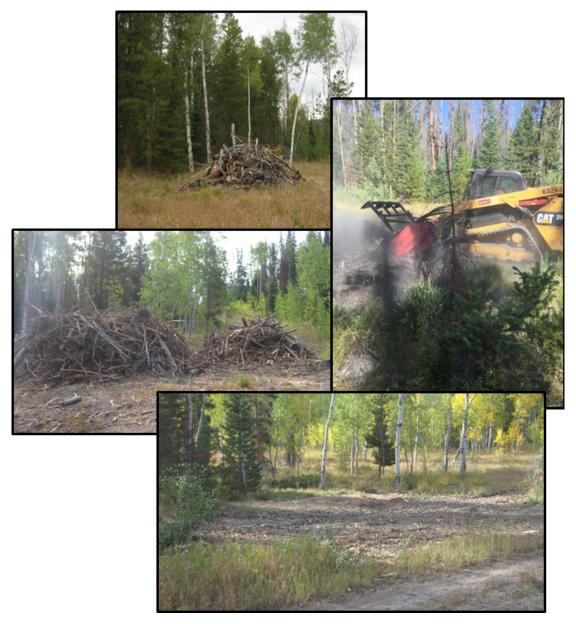
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Wildfire Mitigation - Now you see it, now you don't...

In our ongoing effort to reduce wildfire hazards, crews worked to prepare for future burning and cleaned-up previously burnt slash piles. Hundreds of slash piles were left over from the projects conducted several years ago to remove

dead trees from the Association's common areas and road right-of-ways. In addition to being unsightly, the piles pose a fire hazard to our community.



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Common Area Improvements...

The Association completed several projects in the Association's common areas. Shown below are improvements to the fencing and parking area for the Nordic trail. In addition, the Association added fencing at a common area in South Shore to limit unauthorized public access to the bordering

BLM property. SPOA members are still welcome to enjoy non-motorized vehicle access to the BLM property at this point. Please note that parking along the roadway is not permitted per County regulation and there is not adequate room on this common area for parking.



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Trail Construction Continues...

The Association added a second trail segment this past summer. The trail is located within a common area that runs along the northwest flank of Young's Peak. The trail interconnects with the Neighborhood at Young's Peak Trail system. We encourage all members to try out this new trail as

well as the loop trail built last year at the corner of Schussmark Trail and CR 212. The Board plans to continue constructing trails to allow our members to access and enjoy our scenic common areas.



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Committee Members Needed Get Involved

The Stagecoach Property Owners Association is an organization that has many opportunities to be involved. There is of course a Board of Directors and there is the ACC Committee, however the Board would like to have property owners involved as much as possible and thus help is needed in several areas. Please contact your Association Manager if any of the following possible committees sound of interest to you.

NEWSLETTER COMMITTEE

Develop articles, artwork and editorials for publication in the newsletter

COMMUNITY DEVELOPMENT COMMITTEE

Development of ideas to benefit the community of Stagecoach such as picnics and fireworks

NOMINATING COMMITTEE

For the purpose of nominating candidates for the Board election at the annual meeting

In the future we expect additional opportunities such as serving on a road and/or an infrastructure committee. Since SPOA encompasses a large area and many individual property owners, there must be individuals with an array of expertise, talents and life experiences. If you could contribute some energy and time to help out it would be greatly appreciated.

Stagecoach Express Advertising Rates

Stagecoach Property Owners Association puts out a quarterly newsletter that is mailed to approximately 1200 owners of which about 400 live in Stagecoach and another 400 more who have property in Stagecoach and live in the Oak Creek and Steamboat area. We are accepting ads to be included in our next publication which comes out the beginning of February.

The newsletter is in an 8-1/2 x 11 inch format, written in 2 columns. The ad sizes and prices per edition are as follows:

1/4 page – 3.625" w x 3.25" h	\$80
1/3 page – 3.625"w x 5"\$	120
1/2 page vertical – 3.625"w x 7.5"h\$	150
1/2 page horizontal – 7.5"w x 3.25"h\$	150

There is a 20% discount if 4 orders covering one year are placed. Sorry but we no longer do business card size due to our new layout.

Ads can be in color or in black/white and can be sent to us as hi-resolution JPG, TIFFs or PDF files. Please Email us your format.

If you would like to advertise, please contact the Association Manager:

bayer@steamboatassociations.com

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Current Board of Directors

Stagecoach's Governing Body

President

John Troka (*Term-ends July 2019*) 2890 Majestic View Dr, Timnath, CO 80547 jtroka@msn.com

Vice-President

Rob Walker (*Term-ends July 2018*) 22636 Commanche Road, Oak Creek, CO 80467

Secretary

John DiNicholas (*Term-ends July 2019*) 33225 Ramuda Trail, Oak Creek, CO 80467 <u>johndinicholas@hotmail.com</u>

Treasurer

Seann Conway (*Term-ends July 2020*) 24545 Arapahoe Rd, Oak Creek, CO 80467

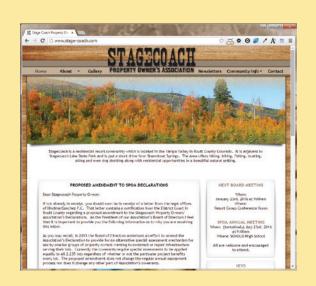
Barbara Houston (*Term-ends July 2018*) 23500 Sagebrush Circle, Oak Creek, CO 80467 bhouston@co.routt.co.us

Zed Ogle (*Term-ends July 2018*) 9981 Apache Spring Dr, Conifer, CO 80433 **zedogle10@gmail.com**

Tom Watts , Current ACC Chairman (*Term-ends July 2017*) 31675 Shoshone Way Steamboat Springs, CO 80467 ttwatts@comcast.net

Vicki Weber (Term-ends July 2019) 32456 Ute Trail, Steamboat Springs, CO 80487 email2webers@q.com

Matt Kaufmann (Term-ends July 2020) 2075 Walton Creek Road Steamboat Springs, CO 80487



The following information can be found on the association's website:



www.Stage-Coach.com

Financial Statements

Meeting Minutes

Governing Documents

Committee Charters

Community/Common Area Documents

Additional Community Information

For other questions please contact:

Stagecoach Property Owners Association

Managed by Steamboat Association Management

675 Snapdragon Way Suite 100

Steamboat Springs, CO 80487

Association Manager – Bryan Ayer

bAyer@steamboatassociations.com

970-875-2810

STAGECOACH PROPERTY OWNERS ASSOCIATION

Meeting of the Board of Directors Resort Group Conference Room Steamboat Springs, Colorado May 13, 2017

Board Members Present: John Troka (President), John DiNicholas, Zed Ogle, Barbara Houston, Art Fine and Tom Watts.

Management Present: Bryan Ayer, Association Manager

Owners and Guests Present:
Rob and Connie Walker – Morningside
Seann Conway – South Shore
Grant Hewins – South Shore
Jason Spalten – South Shore
Bryant Scrafford – Black Horse II
Dianne Emert – Remax Steamboat
Julie Bohnhorst – South Shore
Laurie Peter – South Shore
Jason Spalten – South Shore
Crystal Kish – Townhomes

John Troka called the meeting to order at 9:03 am.

With 6 Board Members attending, a quorum was present.

Approval of Board Meeting Minutes and Ratifications:

Ratification of March 14, 2017 email decision regarding NRSG contract

A motion was made by John Troka via email to approve project/reserve funding not to exceed \$12,000 for wildfire mitigation efforts to be conducted by Natural Resources Solutions Group consistent with their proposal submitted on February 17, 2017. Mitigation efforts consist primarily of burning slash piles nearest residences and those with a negative visual impact from accessible roads in and around Black Horse I and II, Overland and Sky Hitch. In addition the "community burn pile" located in the Sky Hitch common area near the Nordic Trail parking lot is to be burned. The email motion passed unanimously with all Board members voting.

Motion: Tom Watts made a Motion to ratify the email motion from March 14, 2017. Art Fine seconded. The Motion passed without dissent.

Approval of February 4, 2017 Board Meeting Minutes

Stagecoach Property Owners' Association

May 13, 2017

Motion: Tom Watts made a Motion to approve the minutes as written. Zed Ogle seconded. The Motion passed without dissent.

Member Comments:

Seann Conway of lot 33 South Shore expressed his interest in the open Board position. There were no other comments at this time.

NOTE: Due to the majority of guests at the meeting attending for particular subjects of discussion, the agenda was altered.

Old Business:

Access to BLM public land via South Shore:

An owner's informational meeting and feedback session was held on April 8, 2017 regarding access to a Bureau of Land Management (BLM) parcel that borders SPOA common area as well private lots that lie at the top East corner of the South Shore subdivision. Currently there is no designated and legal public access point to the BLM property in the South Shore area. However, the general public has created an illegal access point at this location resulting in increased traffic, illegal parking on the public roadways and private property, and trespassing on private property. To address some of these concerns, the BLM proposed a solution which involved creating a public access point in South Shore which would cross the Association' common area and lead to a small parking area on the BLM property.

Discussion took place among the Board members and then was opened up to the attendees for feedback. John Troka discussed a conversation he had with Tom Effinger, the Routt County Surveyor, regarding the access to the BLM property and concerns around the general survey in the area as well as the access point being one single point. Mr. Effinger had stated that a single point does not represent access which is supported by the BLM website and that although the area had been surveyed by Four Points Engineering for SPOA, the BLM would need to survey the area as well. This particular BLM parcel currently has three other public access points where it adjoins the Colorado State Wildlife area, Forest Service land as well as the Stagecoach State Park Land.

Tom Watts updated the Board on discussions he had with Craig Preston, the Park Ranger for Stagecoach State Park, concerning a possible access point and trail that connects to the Elk Run Trail that runs around the lake of the State Park. The access point would be across the dam from a currently existing parking lot. A trail head could be established approximately a ¼ mile down the trail.

Discussion moved to whether or not to work on an easement to grant public access through the common area. Currently the access is via a dirt road that passes on the common area and then through private lot 78. John Troka spoke to the responsibility of the Association to protect its property right and

that SPOA will have to work with the individual lot owner if they want to block access on the two track as it runs through his property and it will be his decision to allow access or not through that point.

John Troka read an email received from a South Shore lot owner that was in support to grant an easement so the public can have access and a safe road and that a parking lot be built on the BLM property.

Art Fine stated that if the access to the public was to be closed off, that signs would be needed to tell people where else they can go to access this piece of the BLM with clear explanations.

John DiNicholas supports blocking off the public access and keeping the access for SPOA members. He also questioned whether or not the public access question should be put to a vote of the owners.

Tom Watts felt that SPOA should not be granting public access to SPOA property or through SPOA property anywhere in the community.

Member Sean Conway spoke to how he feels that there is already more use in this area and public access would only increase traffic. He is supportive of implementing some type of community pass for Stagecoach members.

Member Grant Hewins was supportive of blocking public access and feels that it is not SPOA's responsibility to tell folks where other access points are.

Member Bryant Scrafford stated that the current access is through a private landowner's lot and SPOA should close off the access point through the common area and shouldn't be involved with the lot owner's decision as the decision is his.

Member Jason Spalten discussed how much traffic he sees up there currently. He approximates 5 cars drive up the double track during hunting season with more cars parked at the bottom. He imagines access is anywhere from 5 – 10 parties a day. In the summer, he only sees one or 2 cars a week and they mostly park on the road. He has accessed the area from the Sarvis area for hunting season and doesn't feel that the other accesses should able the public to access the BLM parcel. He stated that building a parking area would encourage people to use it and eventually that area would need to be expanded in the future for more vehicles.

John Troka then asked the Board if anyone wanted to make a Motion to grant public access. As no Motion was made, the Board then discussed options to limit unauthorized public access beyond the signage that is currently in place.

MOTION: Tom Watts made a Motion that SPOA contract with a vendor to be selected jointly by our managing agent and Board members Art Fine and Thomas Watts, to place large rocks on common area C

at South Shore in such a way as to prevent motorized vehicles from crossing the lot to travel from Shoshone Way to the adjacent BLM parcel, provided that:

- 1) Although SPOA will manage the project, SPOA will contribute only \$800 or 50%, whichever is less of the total cost of the project.
- 2) The balance of the total cost will be paid by lot owners at South Shore.
- 3) SPOA will not enter into a contract for the work until it has received cash in the amount of the portion to be paid by South Shore lot owners.
- 4) The work, to the extent feasible, will be coordinated with the owner of Lot 78, which is located adjacent to common area C.

There was no second for the Motion and the Motion was not voted upon.

MOTION: Tom Watts made a motion to build a three (3) sided buck rail fence to enclose SPOA common area 3 with an opening for pedestrian and bike access for cost not to exceed \$3,000. Zed Ogle seconded. The Motion passed without dissent.

The Board instructed the Association Manager to contact the owner of Lot 78 to discuss the access issue, feedback from the Association members and the actions the Board is taking to limit illegal public access across its common area.

South Shore Electrical Infrastructure Project:

Tom Watts presented updated information regarding the possible use of the Declaration amendment to to fund the construction of a main electric line serving some of the lots in South Shore. Since the Board meeting on February 4th, Tom Watts has gathered more information and adjusted the overall scope of work. Mr. Watts's new proposal is to get the electrical line started up Shoshone way. The line currently ends at the sewage treatment plant. YVEA Three (3) phase would be necessary up Shoshone to Arapahoe. From there the line would change to single phase. The single phase line would then continue up to the SPOA common area between lots 166 and 167 and then continue up to MF lot 20, MF lot 33 and lot 34, owned by Mr. and Mrs. Yapoujian. In order to bring the line to those lots the Yapoujian's are willing to contribute to the overall cost.

The proposed total project cost is \$115,402. The Yapoujians would contribute approximately \$22,625. Mr. Watts would also like to use approximately \$45,000 from the South Shore Restricted Funds. That would leave a total balance of \$47,777. The remaining balance would be assessed to the 12 lots that would benefit from the construction of the line at an approximate cost of \$3,981.

Research needs to be done in regards to the ability of the South Shore Restricted Funds to be used for a capital improvement other than roads. There was also discussion regarding if the Restricted Funds can be used for an electrical project, whether or not all of the funds should be used on this particular section. The argument was that since this three (3) phase line was the required backbone infrastructure

for an electrical system capable of serving the entire subdivision, all of the funds should be allowed to be used in full since eventually everyone could benefit from the enhancement. John Troka will work with the manager to verify the ability to use the South Shore restricted funds for purposes other than road projects. There would also need to be a utility easement granted to YVEA to allow them to cross a common area with the proposed electrical line. The project needs to be completed by November 1st, 2017 otherwise the project estimates will no longer be valid.

Board Vacancy:

At the Board meeting on February 4, 2017 The Board tabled their selection of a candidate to fill the vacant position as they decided they would like to speak with the potential candidates. There were three potential Board candidates that attended this meeting and spoke with the Board. Rob Walker is an owner in Morningside, Seann Conway is an owner in South Shore and Crystal Kish lives in the Stagecoach Townhomes. Although Crystal spoke with the Board, she is not currently an owner within SPOA and therefore does not meet the requirements to be a Board member.

MOTION: Tom Watts made a Motion to appoint Rob Walker to the vacant Board position. John DiNicholas seconded. The Motion passed without dissent.

Note: Barbara Houston left the meeting at 12:40. With 5 of 9 board members still present, a quorum was maintained.

General Business Summary: Bryan Ayer provided an update on Association business matters.

Ski Trail Parking lot on Stirrup: The buck rail fence surrounding the parking lot is in disrepair and there are broken sections and sections missing. As the lot is used frequently in the winter months it would be recommended to establish the lot with a newer fence. This area is also where the community burn pile is located. The manager presented an estimate from Keller Contracting for \$1,300 for a new buck rail fence. Tom Watts expressed that if the fence was to be replaced he would like it to be a more permanent split rail fence. Once the new fence was established, signage would be installed, possibly just on the back of the current ski trails sign, educating owners about what materials are allowed to be dumped and that illegal dumping will be prosecuted. The manager was directed to come back to the board with a new proposal.

<u>Coyote Run Landscape Contract:</u> The manager presented the 2017 landscape contract for Coyote Run. There were no changes to last year's contract.

Annual Meeting Location: The Board previously discussed holding the 2017 Annual meeting in the Stagecoach community. The manager presented a cost estimate of \$4,100 from Colorado Event Rentals for a large tent, chairs and generators for power. The location was to possibly be at the bottom of the Stagecoach Ski Area. As the ownership of this location at the time of the annual meeting is uncertain,

the Board decided to hold the 2017 Annual Membership meeting at SOROCO High School as it has in previous years.

<u>ACC/CCR/Rules:</u> The applications to the ACC have been diverse for 2017. There have been 3 house applications, 1 shed and 1 fence application as well as 1 house addition and one garage addition.

<u>Summary of Violations</u>: Bryan presented a summary of ongoing violations. As it is only spring, there have not been any new violations. The manager has been reaching out to some owners, whom he has received complaints about or have their lots in disarray. The feedback and cooperation from these owners has been acceptable and several lots have been cleaned up as requested. One lot in Black Horse II has been under scrutiny for years and the manager has reached out to the county for help with enforcement. The County has a meeting set up with this owner and Bryan will keep the Board posted on the progress.

Accounts Receivable: The A/R currently shows 388 lots that owe a total of \$58,950 as of May 9m 2017. In comparison on May 9, 2016 there were 413 lots that owed a total of \$53,674. Of the 9 owners for which foreclosure action was previously approved, two owners have paid in full and one is making payments under an approved payment plan. The Association's legal counsel continues to move forward with foreclosure on the remaining six owners.

Treasurer's Report:

Current Financials through March 31, 2017: John DiNicholas presented the financial report.

Total Cash at the end of March was \$522,522 of which \$157,889 are restricted road funds held for Horseback, Morningside and South Shore.

Accounts payable at the end of March was \$4,298.

Operating income for the first 3 months of 2017 was \$25,909. This amount reflects net operating assessments of \$28,144 and \$78 in other income which is predominately late fees. It is important to remember that although the Association bills and collects its annual assessment once per year, the operating income is recognized ratably throughout the year.

Operating expenses for the same period totaled \$23,611 and include such items as management fees, professional services, such as accounting and legal expenses, meeting and member communication costs and common areas maintenance costs for the park and Nordic trail. All line items are running within budgeted amounts. As of March 31, 2017 the net operating fund surplus was \$2,297.

Project/reserve income reflects \$28,144 from annual assessments and \$78 in interest for three months of 2017. Year-to-date project/reserve spending was \$37. It was noted that most of the project/reserve costs are incurred in the months of May through October when the work is performed.

Restricted Funds income reflects \$39 of interest income earned on funds held. There are no year-to-date restricted fund expenses.

Accounts Receivable - Collections: Accounts Receivable as of March 31, 2017 was \$67,797.

New Business:

Summer Wildfire Mitigation Proposal:

Bryan Ayer updated the Board on the completion of the initial NRSG contract to burn long standing slash piles as well as the community burn pile. NRSG spent 159 man hours burning 21 piles this past winter/spring. The Board then reviewed and discussed the NRSG contract proposal to prepare remaining slash piles for burning during the upcoming winter/spring season. The work to be performed is primarily the consolidation or separation of existing piles to allow for more efficient, effective and safe burning of the piles. NRSG will also clean-up previously burned piles and bury stumps and other debris as needed.

Motion: John Troka made a motion to approved \$19,975 of project/reserve funding for the purpose of completing the wildfire mitigation activities outlined in the May 11th NRSG project proposal. The motion was seconded and passed without dissent.

Note: Art Fine left the meeting at 1:20 p.m. With only 4 of 9 board members still present, a quorum was no longer maintained and business could no longer be conducted.

In accordance with CCIOA item 38-33.3-309 Quorums (2), Unless the bylaws specify a larger percentage, a quorum is deemed present throughout any meeting of the executive board if persons entitled to cast fifty percent of the votes on that board are present at the beginning of the meeting or grant their proxy as provided in Section 7-128-205 (4) C.R. S.. The provision for a Board member to vote by proxy must be provided in the bylaws, which the SPOA bylaws do not.

Discussion continued revolving around the subjects of 2017 Board election, the replacement of culverts at Whiffle Tree and Shay Way as well as the possibility of introducing a new amendment to the Declarations concerning horses and small animals. However without a quorum, no more Motions were made.

The Meeting was adjourned at 2:30 p.m.

STAGECOACH PROPERTY OWNERS ASSOCIATION

Meeting of the Board of Directors Resort Group Conference Room Steamboat Springs, Colorado July 1, 2017

Board Members Present: John Troka (President), John DiNicholas, Zed Ogle, Vicky Weber and Rob Walker

Board Members Present by Teleconference: Barb Houston, Art Fine, Tom Watts

Management Present: Bryan Ayer, Association Manager

Owners and Guests Present: Ted Ferrick – Meadowgreen, Sky Hitch 1 and South Shore Bryant Scrafford – Black Horse II

John Troka called the meeting to order at 9:00 am.

With 9 Board Members attending, a quorum was present.

Approval of Board Meeting Minutes and Ratifications:

Approval of May 13, 2017 Board Meeting Minutes

Motion: Zed Ogle moved to approve the minutes as written. Rob Walker seconded. The motion passed without dissent.

Ratification of June 10, 2017 Email Decision on Trail Construction

A motion was made by John Troka via email to approve project/reserve funding not to exceed \$12,500 for the construction of a trail within the Association's common area (Meadowgreen CA #3) which is located along the northern base of Young's Peak. The Motion was seconded by Tom Rashid. The email motion passed unanimously with all Board members voting.

Motion: John DiNicholas moved to ratify the email motion from June 10, 2017. Art Fine seconded. The motion passed without dissent.

Member Comments:

There were no member comments at this time.

General Business Summary: Bryan Ayer provided an update on Association business matters.

Request for cluster box at South Shore: The Manager had received a request from the Oak Creek Post Office to install and additional cluster box as all current boxes are filled. Currently there are two cluster mailboxes and a parcel cluster box that are using all the available space on the concrete pads that are there. In order to install another cluster box, a new pad will need to be built parallel to the existing pads.

MOTION: John Troka moved to approve an amount not to exceed \$2,500 of project/reserve funds for the purchase and installation of a new concrete pad and additional cluster box. Rob Walker seconded. Motion passed. Dissenting: John DiNicholas

<u>NYP Trail Maintenance:</u> At the May 14, 2016 Board meeting, the Board agreed to provide financial assistance for mowing and weed mitigation on the public trail system within the Neighborhood at Young's Peak. The agreed funding was 50% of the actual incurred cost with a maximum contribution not to exceed \$600. The NYP Owners Association had the public trails mowed at a cost of \$337.50 resulting in a reimbursement amount from SPOA of \$168.75.

ACC/CCR/Rules:

New construction: There are currently 2 house applications in the informal review process. Due to the potential reopening of the ski area, it was believed that it would be a busy summer for applications. However, with the purchase of the ski area in limbo, that has not occurred.

Covenant Violation: Bryan presented a summary of ongoing violations. There are still two ongoing violations that are in need of review from the Rules Committee. The Rules Committee is made up of the three Board Members that are in their last year of their term. There is still part of an illegally built cabin on lot 87 in South Station III. There is also an issue with too many buildings on lot 47 in Eagles Watch. After the annual meeting, there will be three new Board members on the Rules Committee. The manager was asked to put together a list of compliance issues for the new committee and come up with possible dates of solution. Covenant Violations within SPOA have been at a minimum. The manger has been in contact with several owners concerning the disarray of items on their lots. In general, the cooperation of the ownership to clean up their lots as requested has been excellent.

Accounts Receivable: The A/R currently shows 348 lots that owe a total of \$54,577 as of June 29, 2017. In comparison on May 9, 2016 there were 413 lots that owed a total of \$53,674. Of the 9 owners for which foreclosure action was previously approved, four owners have paid in full. The other five are still going through the foreclosure process. Of these, two had a Motion of Default filed and are moving towards a Sheriffs sale, one in holding as it is being refinanced and one still under Notice of Publication. The Association's legal counsel continues to move forward with the process. All legal costs associated with the foreclosure process are billed back to the owners account. The four owners who paid in full

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paid all legal costs associated with collection of the debt.

Treasurer's Report:

Current Financials through May 31, 2017: John DiNicholas presented the financial report.

Total Cash at the end of May was \$520,712 of which \$157,916 are restricted road funds held for Horseback, Morningside and South Shore.

Accounts payable at the end of March was \$14,900.

Operating income for the first 5 months of 2017 was \$43,665. This amount reflects net operating assessments of \$40,681 and \$2,974 in other income which is predominately late fees. It is important to remember that although the Association bills and collects its annual assessment once per year, the operating income is recognized ratably throughout the year.

Operating expenses for the same period totaled \$35,539 and includes management fees, professional services such as accounting and legal expenses, meeting and member communication costs and common areas maintenance costs for the park and Nordic trail. All line items are running within budgeted amounts. As of May 31, 2017 the net operating fund surplus was \$8,106.

Project/reserve income reflects \$46,758 from annual assessments and \$134 in interest for five months of 2017. Year-to-date project/reserve spending was \$12,376. The majority of that amount was spent for wildfire mitigation, specifically the burning of slash piles still left over from the Association's 2012 beetle kill mitigation project.

Restricted Funds income reflects \$66 of interest income earned on funds held. There are no year-to-date restricted fund expenses.

Accounts Receivable - Collections: Accounts Receivable as of March 31, 2017 was \$57,713.

Old Business:

Annual Meeting - July 23, 2017:

There was general planning discussion concerning the upcoming annual meeting to take place on July 22, 2017 including potential candidates for the Board. Tom Watts will be seeking reelection as incumbent. Art Fine has served his two terms and thus is not eligible to run again at this time. Tom Rashid has stated that he will not be seeking reelection. There were interested individuals at the previous Board meeting and the manager will reach out to them to see if they are still interested.

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Wildfire Mitigation:

There was discussion on the best way to move forward with an overall fire mitigation plan. Keith Kyle and Natural Resource Solutions Group has been working on the existing burn piles and will be consolidating and separating piles this summer in order to burn the piles more efficiently this fall and spring. NRSG employs a professional forester that has retired from the Forest Service with a specialty in Forest Management plans. Bryan Ayer will meet with her and Keith and take them on a property view of the SPOA area in order to move forward with an overall plan for SPOA including common areas still not cleared as well as private lots. Overall the Board feels that to move forward on private lots there would have to be coordination between any contractors hired and NRSG in order to remove trees from the lots and transport them to community piles where NRSG can burn them as they are qualified to do so.

Trails and Recreation:

The trail approved to be built on Common Area 3 in Meadowgreen has been completed and serves as a connector trail from RCR 212 to the Neighborhoods at Young's Peak trail system. The common area was surveyed to assure correct location and Routt County Riders built the trail in approximately a week. The manager has already received positive comments regarding the trail.

At the last meeting there was discussion regarding the Nordic trail parking lot on Stirrup Way. The manager had presented a bid to replace the current buck rail fence. The Board directed the manager to come back with a new proposal for a nicer split rail fence. The Manager presented a bid for a split rail fence replacing the old one and including new gravel.

MOTION: Tom Watts moved to spend up to \$3,500 of project/reserve funds to replace the Nordic trail fence with the split rail and to add gravel to the area. Art Fine seconded. The motion passed. Dissenting: John DiNicholas. Abstaining: Zed Ogle.

South Shore BLM access point for members:

At the May 13th Board meeting there was a Motion approved to build a three sided buck rail fence to enclose SPOA common area 3 with an opening for pedestrian and bike access. The manager has hired a contractor and the work is almost complete. The manager is also in contact with the owner of adjacent Lot 78 and given him a contractors estimate to place barbed wire across the back of his lot to deter any trespassing issues and to coincide with the common area fence that is being installed. The goal is to completely block the current unauthorized vehicle access to the BLM property.

Road Maintenance:

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Inadequate drainage along existing non-county maintained improved and primitive roads continues to be the greatest obstacle to maintaining owner and emergency responder access to residences, lots and common areas throughout the community. As such, the recommended road projects for 2017 are focused on repairing/improving drainage. The manager had presented a bid for two large culverts at the intersection of Whiffle Tree and Shay Way. John Troka presented a road maintenance recommendation

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document that included these two main culverts as well as the replacement of two culverts at the intersection of Filly Trail South and RCR 16 as well as grading, ditching, the addition of road base and two culverts in the area of Shay Way and Cutter Trail.

There was discussion on whether or not the proposed culverts and drainage recommendations are correct and the Board asked the manager to speak with an engineer for an opinion on the proposed work.

MOTION: John DiNicholas moved to spend up to \$1,000 of project/reserve funds for an engineer to review the road construction proposal. Tom Watts seconded. The Motion passed without dissent.

South Shore Electrical Infrastructure Project:

At the Board Meeting on May 13, following discussion on the proposal, the question arose as to whether the South Shore restricted funds can be used for a capital improvement other than roads. After further research it has been determined that the South Shore/Morningside road settlement agreement does not allow for the funds to be used for project other than roads and related drainage. The discussion continued with the idea since the South Shore and Morningside roads are built and to be maintained by the County, the Association should petition the court to allow use of the remaining restricted funds for other infrastructure projects benefitting these subdivision. Art Fine is working with the clerk of the court to research if this petition has been previously made and granted.

One essential cost to the overall South Shore electrical project is the upsizing of the main switch which is needed to serve all of the South Shore lots. YVEA has agreed to fund half of the cost for this switch. The cost of the switch and corresponding infrastructure of the proposed project is approximately \$45,000. Given the opportunity to secure the YVEA funding offer, the Board discussed possibly using \$45,000 from the project/reserve funds to initiate the project with a reimbursement from the restricted funds if/when the court approves the use of the funds for infrastructure other than roads.

MOTION: Tom Watts moved to use \$45,000 of project/reserve funds to be used for the 3 phase backbone of the South Shore proposed electrical project subject to approval of lot owners agreeing to a special assessment for the electrical distribution system as defined by the electrical project scope as presented at the May 13 Board Meeting. There was no second to the Motion.

As the Motion is subject to the working of the notice that is sent to the Lot owners, Tom Watts will work on a new motion with comprehensive wording and send it to the Board for review with a possible teleconference meeting of the Board for a vote.

New Business:

Lot Consolidations:

The manager has been contacted by several SPOA owners over the past year that are interested in

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consolidating their lots, not necessarily for septic reasons, but for the purpose of being able to build additional structures such as a garage on what would currently be considered a separate lot. There are many lots within SPOA where the width of the lot is preventative for a residence and a separate building to be on the same lot.

There was discussion regarding if the Board can vacate trail easements without ownership approval. In consulting with the Association's legal counsel David Firman of Hindman Sanchez, he indicated the Board can make this decision as it is not real property owned by the Association. The easement is a merely a right to use another individual's property. Additionally the easements are not "common area" as defined by the Association's governing documents so the covenant requiring approval of the members to dispose of common area is not applicable.

Possible Covenant Amendments and/or Rules Adoption:

There was discussion regarding a possible amendment to Section m. of the Covenants. Currently the Section reads: Section m. Animals. No animals, livestock, or poultry of any kind shall be housed, raised, or kept on any track or property either temporarily or permanently, except that commonly accepted domestic pets may be kept provided that they are not kept or maintained for any commercial purposes. There have been requests from SPOA members and inquiries from Board members to change the Covenant language to allow for horses and possibly other small animals such as chickens. The discussion revolved around the details of requirements that would be needed in order for the Covenant change to be efficient. Questions such as how much acreage would be needed for how many allowable horses; Would a communal area for housing of the horses be more advantageous or private lots; What would be the requirements and enforcement for cleanup of corrals or stables? In regards to chickens: How many chickens would be allowed per lot; Would Roosters be allowed? How do you regulate cleanup of pens?

Additionally the Board discussed the current covenant on the prohibition of trailers. Specifically the covenants state: Section f. **Temporary Residences**. No structure of temporary character, trailer, basement, tent or accessory building shall be used on any tract as a residence, temporarily or permanently, and no used structure of any sort shall be moved onto any Lot. Exceptions may be granted by the Association for a period not to exceed one hundred twenty (120) days during construction of a permanent residence by the owner on his Lot. Except for the above exception, no trailers of any type shall be placed or kept on any Lot unless such trailer is in an enclosed garage.

The enforcement of this covenant has been inconsistent over the years. In a drive around through the community, John Troka took note of a total of 88 out of 272 houses that had trailers of some sort. Some of these residences also had multiple trailers. Many tow behind campers, boats and storage trailers are too long and/or tall to fit in a garage. Additionally the ACC guidelines restrict garages to be less than half the square footage of a house, thereby limiting available storage. The Board discussed how many trailers would be acceptable outside a garage and/or if they were sheltered from view. It was also discussed on whether it would be beneficial for SPOA to build a storage facility for the membership to

6 July 1, 2017 allow for owners to store their equipment off site of the residence, thus making the area more appealing.

NOTE: Art Fine left the meeting at 1:05 p.m. With a quorum still in attendance the meeting continued.

In order to establish a baseline for the membership's opinion on the subjects of changing the covenants regarding horses/small animals as well as trailers, John Troka will work on a survey to be presented at the annual meeting and also sent out to the ownership.

NOTE: Barb Houston left the meeting at 1:15 p.m. With a quorum still in attendance the meeting continued.

2017 Property Tax Valuation Notices:

John Troka presented a spreadsheet summarizing the County's recent property valuation notices valuation for both developed and undeveloped properties within SPOA. The market values in the notices are as of June 30, 2016 and are based on sales data from the period July 2014 to June 2016. In general residential properties and lots with available infrastructure show market value increases while the market value for undeveloped lots in the areas with limited infrastructure decreased. The information will be shared with the membership at the annual meeting and in an upcoming quarterly newsletter.

<u>Next Board Meeting:</u> The next Board meeting is scheduled immediately following the annual meeting. The agenda for this meeting will be limited to the election of officers for the coming year Board term year (July 2017 – July 2018) and the scheduling of the next Board meeting.

The Meeting was adjourned at 2:15 PM