

STAGECOACH PROPERTY OWNERS ASSOCIATION

Meeting of the Board of Directors
Resort Group Conference Room
Steamboat Springs, Colorado
July 11, 2015

DRAFT

Board Members Present: Mike Koponen (Vice President), John Di Nicholas, Tom Rashid, Tom Watts, Art fine and Ben Mahrle.

Board Members Present by teleconference: John Troka (President)

Management Present: Bryan Ayer, Association Manager for Steamboat Association Management (SAM).

Owners Present: Corky Fisher

John Troka called the meeting to order at 9:05 am

Approval of May 30, 2015 Minutes

Motion: There was a motion to approve the minutes as written. Seconded and approved unanimously.

Member Comment

There were no Member comments

Community Manager's Report:

The Association's community manager Bryan Ayer of SAM provided an update on Association business matters.

General Business Summary:

Burn Piles - There was discussion concerning the Burn piles that are still left from the 2012 logging. Bryan had toured the area with Chief Wisecup to determining what was left to burn and priorities. There were still two piles to be burned in Morningside. The priority after that was along the area of King Bolt over to Ramuda. There are other piles scattered around including a large pile on Shay Way and some smaller piles near Filly (One) and back in some of the cul de sacs. Corky Fischer spoke to trying to find someone with a large machine, such as a tub grinder, to chip all these areas, but the access is mostly inaccessible and not cost effective. It was determined to speak with a contractor, Mike Halder, to see if he would be willing to burn as a subcontractor as he has experience in this area.

Marijuana Growing operations – There was concern regarding possible large growing operations in the SPOA area and what to do about them. One such possible operation had been reported to the County Sheriff, but as of yet no results had been determined. The Board felt that if an issue was brought to the Manager that a letter could be sent out to the owner stating that they had received an inquiry into a possible nuisance violation as it could be an annoyance or nuisance to the neighborhood in accordance

with the documents. Overall it was determined that any actions to be taken should be done by the Routt County Sheriffs department and that they should be called to investigate.

ACC/CCR Rules:

- 1) Approvals/ submittals- Bryan reviewed current submittals of ACC. There is currently one house that has been Informally approved at Lot 19 in Coyote Run.
- 2) Compliance & Enforcement- There was one Notice of Complaint letter sent to an owner in Eagles Watch regarding a Nuisance of an inoperable trailer with flat tires and a vehicle parked in the Right Of Way.
- 3) Bryan will be working on the list of incomplete houses and trying to contact those owners that have not shown any progress. A few of the houses are showing progress.
- 4) Bryan will continue to update the spreadsheets on ACC Applications, ACC Violations and any Reports of Incidents. These spreadsheets are available online in VMS.

Road improvements: Bryan had met with Connell Resources and had gotten some estimates on what it would take to grade some roads. He also has a meeting with D&D Enterprises to get another estimate. A Road Committee has been established and this subject will be discussed later in the meeting.

Treasurer's Report:

John Troka presented the 2015 YTD Financial Statements as of May 31, 2015.

Total Cash at the end of May was \$349,882 of which \$157,064 were restricted road funds for Horseback, Morningside and South Shore. **Accounts Receivable** at the end of May was \$50,485 and \$46,025 as of July 6, 2015 reflecting the Association's ongoing collection efforts.

Operating income from annual assessments for the period January through May was \$45,703 with other income(i.e, finance charges, late fees, fines, etc.) of \$7,309 for a total income of \$53,012.

Operating expenses for the same period totaled \$36,021. These expenses include Management Fees, Professional Services, such as Accounting and legal expenses, Maintenance costs, Meeting Costs and Homeowner Communications. All of these items are running on/below budget with the exception of Homeowner Communications which is slightly over mostly due to website redesign costs.

Through May 2015, the Association has a YTD operating surplus(income minus expenses)of \$16,991.

Through May, the Association recognized \$24,210 in general reserve/project fund income from annual assessments and interest. Reserve/project spending through May was \$0.

Accounts Receivable: There was a Motion at the February 28th Board Meeting to perfect the liens on all lots on the Accounts Receivable Delinquency list that have been referred to and contacted by our attorney and for which payment has still not been received and/or the owner has not requested a payment plan. SAM is currently in the process of preparing the liens, filing them with the County and notifying the impacted owners.

John also presented a summary of Routt County Assessor Data that included Market Values as of July 2014 for Developed land, vacant land and other surrounding properties. The Board would like to see this presented at the annual meeting as well as posted on the website.

Old Business

Nominating Committee: Mike Koponen, Tonja Elkins and Barbara Houston's terms expire this year. Ben Mahrle announced his resignation. That position has 1 year left in the term. The three expired terms need to be elected by the members and the resigned term can be appointed by the Board. The board suggested names and Mike will pursue contacting them.

Covenant Change: Tom Watts is currently working on next steps regarding the Covenant change as voted on by members at the 2013 Annual Meeting. No update as of this meeting.

Presentation of 2016 Budget Proposal

John Troka Presented a draft of the 2016 Budget to present at the Annual Meeting on July 25, 2015. The budget is based upon receiving 85% of total Assessments. The proposed budget will reflect an increase of a 3% inflation cost in the Management Contract with SAM as well as an increase in Professional Services due to pursuing a financial review as required by the SPOA governing documents.

Due to these increases the proposed budget would reflect an increase of approximately \$3.00 per lot in Operating Assessments to maintain a balanced operating budget.

MOTION: There was a Motion to present the preliminary budget at the 2015 Annual Meeting. The Motion was seconded and passed unanimously.

New Business:

Road Committee Report: The Road Committee is currently comprised of John Troka, John DiNicholas and Corky Fisher. John Troka described a document in progress that will capture the essentials needed for a road to be built and the if SPOA would contribute to the cost it would be revolved around building a road to county standards.

John pointed out the results of the Chemical Mowing done by the County in portions of Horseback and that this is something that the Road Committee would look at to at least kill the vegetation so that Roads can be seen and possibly more passible.

Bryan is currently pursuing estimates for doing roadwork from 2nd Filly Trail up to the start of Ramuda Trail. They have a preliminary estimates from Connell Resources. Bryan is meeting with D&D Enterprises within the next week for another estimate. It was also suggested to talk with Mike Halder to see if he would have any interest.

There was discussion about bringing the last existing road segments in Meadowgreen that Routt County does not maintain up to the County road standard. The road segments in Meadwogreen currently not

maintained area is the Ormega Way and Barr Trail with a total length of approximately 1/3 mile. There was also discussion about bringing the four cul-de-sacs in Eagles Watch to County road standards. The cul-de-sacs are the only road segments in Eagles Watch not currently maintained by the county and represent a total length of approximately ¼ mile.

MOTION: It was motioned and seconded to allocate \$5,000 of the \$10,000 in the FY2015 budget for road maintenance for the improvement of 2nd Filly Trail as recommended by the Road Committee. There were 5 votes for the motion, and 1 against. John DiNicholas abstained from the vote due to the proposal impacting access to his residence. Motion Passed

Lot Consolidation: At the previous Board Meeting on May 30th, Kim Wright of lots 5,6,7 and 8 of Horseback spoke to her concern with having to pay the SPOA Assessments for each of her four (4) original lots even though they have gone through the County's lot consolidation process and have been replatted as one (1) lot.

The SPOA President, John Troka, after consultation with the Association's attorney, presented his findings in regards to lot consolidation and its impact on assessments and voting rights under CCIOA (Colorado Common Interest Ownership Act). CCIOA is the state law that governs home and property owner associations throughout the state. Per CCIOA, changing the number of assessed lots and/or the number of votes within the community is considered a change of the Association's covenants and therefore requires a vote of the Association's membership. To amend the Association's covenants for this purpose requires an affirmative vote of 67% of the members.

While the Board was not opposed to putting forth a proposal to change the number of assessments and votes for consolidated lots to a vote of the membership, for a variety of legal and logistical reasons the most appropriate time to do so would be as a part of the 2016 annual membership meeting. This item will be revisited in early 2016 after additional legal research.

The Meeting was called for a break at 12:20 PM

MOTION: To go into executive session pursuant to CRS 38-33.3-308 (4)(e) to discuss possible legal action against owners with significantly delinquent assessments. The Motion was seconded and passed unanimously.

Executive session was adjourned at 1:25 PM

MOTION FROM EXECUTIVE SESSION: To send an attorney letter to ten (10) individual owners initiating the foreclosure process and giving them a date certain of 30 days to pay. The Motion was seconded and passed unanimously.

The Meeting was adjourned at 1:25 PM