

STAGECOACH PROPERTY OWNERS ASSOCIATION

Meeting of the Board of Directors
Resort Group Conference Room
Steamboat Springs, Colorado
July 9, 2016

Board Members Present: John Troka (President), Tom Rashid (Vice President), Bradley Church (Treasurer), Barbara Houston (Secretary), John DiNicholas, Art Fine, Larry Wilson and Zed Ogle

Board Members present by teleconference: Tom Watts

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

Owners Present: Ken Burgess – Lots 82/83 Sky Hitch I
Ted Ferrick – Lot 63 Meadowgreen, Lot 77 Sky Hitch I, Lot 37 South Shore

John Troka called the meeting to order at 9:02 am.

With all Board Members attending, a quorum was present.

Approval of Board Meeting Minutes and Ratifications:

Approval of Board Meeting Minutes

John Troka asked the Board if there were any amendments to the Board meeting minutes for May 14, 2016.

Motion: Tom Rashid made a motion to approve the May 14, 2016. Larry Wilson seconded. Motion passed without dissent.

Member Comment:

Ken Burgess spoke to the restrictions of the Covenants concerning animals and horses in particular. The Covenants state that no animals, livestock, or poultry of any kind shall be housed, raised or kept on any track or property either temporarily or permanently. Mr. Burgess has his house for sale and has shown it to several people, two of which asked and possibly would have purchased the property if horses were allowed. Mr. Burgess would like to see SPOA pursue changing the Covenants to allow horses. He suggested following the process of the previous amendment to obtain the 2/3 vote needed by sending out the direct ballot by email, newsletter and postal service.

Tom Watts was in agreement with possibly pursuing the proposed amendment, but also would like to entertain using the common areas for horses and possibly a horse corral and shelter instead of having

horses on individual or consolidated lots. There was a general discussion on what it would take to maintain an area dedicated for horses on the common areas and the possible costs.

Community Manager's Report:

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

1) Slash Pile Burn Update: Bryan Ayer stated that the same issues still remain that Chief Wisecup can only burn on burn days and only in the spring or fall. Chief Wisecup is out of funding, but can bill on a time and work basis as he gets to the remaining piles.

Bryan stated that he had been contacted by Basia Trout, who is a lot owner as well as the District Ranger for the Forest Service for the surrounding area and that she has concerns with the amount of dead trees on individual lots and the potential fire danger. She feels that there is more opportunity arising to obtaining grants to help with the mitigation of these properties and to get rid of the slash piles at the same time. Bryan stated that he would like to have one board member that could start communications with Basia, Chief Wisecup and Robert Skorkowski as he was vital to the 2012 beetle kill mitigation. As Brad Church has been working on alternative ideas for the slash mitigation, he volunteered. Bryan will send out an email to the four parties so that they can begin the communication process towards mitigation.

2) Splitter: Bryan Ayer presented a report of past splitter rental income vs cost of maintenance. Since October 2014 the Splitter has cost the Association \$1,045 vs having only \$365 in income.

MOTION: Brad Church made a Motion to sell the splitter and to have SAM determine the best way to sell it. Barbara Houston seconded. The vote passed. Abstaining: John DiNicholas and Tom Rashid.

3) ACC/CCR/Rules: Bryan presented the latest ACC applications spreadsheet. Since the last Board meeting there has been another house approved for lot 22 in Meadowgreen on Willow Island Trail. This application was formally approved as the application that was submitted was the same as that submitted to the county. The county has changed their application process and has a new system that enables the applicant as well as an entity such as SPOA to track the progress online.

One informal application process that has been denied as of this time was for a greenhouse on lot 89 in Meadowgreen on Ormega Way. The application was for a 24X24 greenhouse made from a kit with a Plexiglas roof that included heating and plumbing as well. Due to the size of the greenhouse the ACC has had to consider this as an ancillary building and because of that consideration, had to deny the request as it doesn't fit with the architecture or scheme of the dwelling. The ACC has a guideline that sheds and greenhouses 120 square feet or smaller need to be approved by the ACC but do not meet the requirements of the ancillary building per the covenants and thus don't need to match the residence. There are several other greenhouses within SPOA that would fit into the category of an ancillary building

that may or may not have been approved by the ACC before SAM was managing and these will need to be researched and dealt with.

Besides the greenhouses that need to be dealt with, there are several other properties in major disarray with various items scattered about and looking unsightly. Bryan plans on addressing these and the greenhouses with letters of informal resolutions being sent to the property owners to start to resolve these issues.

Bryan Ayer gave an update on the status of the unapproved and illegal sheds on King bolt. Both parties have been sent the 3rd letter that gives them a new time period to remove the structures or fines will commence. As Tom Watts was involved in this violation process as ACC chairman, he had a request of the board to separate the function of the ACC from that of Rules enforcement, mostly on the case that the ACC is made up of members of SPOA that are not on the board and he feels that decisions on covenant violations and imposition of fines is more appropriately a role for a committee made up of SPOA Board members.

MOTION: Tom Watts made a Motion to separate the function of the rules committee from the function of the ACC committee with the function of the ACC to focus on applications for construction activities only. Brad Church seconded the Motion. The Motion passed. Abstaining: Art Fine and Zed Ogle.

MOTION: John Troka made a Motion to create a Rules Committee that will consist of three (3) Board members with the intent that each Board member will serve in the 3rd year of their term. Vacancies will be filled by a decision of the board. Larry Wilson seconded. The Motion passed without dissent.

In accordance with the new Motion, the Board members to currently serve on the committee will be Tom Watts, Art Fine and Tom Rashid.

Treasurer's Report:

Brad church presented the financials. The treasurer continues to maintain an ongoing balance of approximately \$20,000 in the checking account by transferring funds to/from the interest earnings money market account. The Association will have financial review for FY2014 and FY 2015 done this year and SAM is working with a local accounting firm to accomplish this task in the 3rd /4th quarter.

Fiscal Year 2016: A review of the current fiscal year financials statements through May 31, 2016 indicates:

Total Cash at the end of May was \$443,764 of which \$157,758 are restricted road funds held for Horseback, Morningside and South Shore.

Accounts payable at the end of May were \$1,455

Operating income for the first 5 months of 2016 was \$42,777. This amount reflects net operating assessments of \$39,866 and \$2,911 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 \$38,580 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. As of May 31, 2016 the net operating fund surplus was \$4,197.

Project/Reserve income and expenses reflect \$47,233 in general project/reserve fund income from annual assessments and interest in the first three months of 2016. YTD project/reserve spending was \$4,317 and included costs for community infrastructure, legal projects, and road maintenance. The net surplus of the project/reserve fund through March 31 was \$42,917.

Restricted Funds income reflects \$95 of interest income earned on funds held. There are no YTD restricted fund expenses.

Note: Tom Watts left the meeting at 11:25. With 8 of 9 board members still present, a quorum was maintained.

Accounts Receivable – Collection Actions:

SAM provided an update on the previously approved foreclosures of liens against two property owners (Note: 8 of original 10 owners identified for foreclosure in 2015 have paid their past due assessments in total or are current on a payment plan to do so). One of the two owners previously reached out to SAM and indicated payment was forthcoming. To date this payment has not been received and the owner has not contacted SAM. In this case, Board instructed SAM to attempt one more contact with owner prior to Association filing for foreclosure. For the other owner, the foreclosure process is continuing to move through the process with the property owners being served and providing their response to the Court.

The Board reviewed the current list of significantly delinquent (3+ years of past due assessments) owners. All of the owners on the list had liens recorded on their property in 2016 and still have not paid and/or entered into a payment plan. In 2016. These owners were sent collection letters from SAM and from the Association's attorney. The Board directed SAM to have the attorney send a final collection letter to these owners specifically stating that they now have 30 days to bring their account(s) current or SPOA will look at exercising its rights to foreclose on their property.

2017 Budget Discussion:

The Board discussed the upcoming 2017 budget process and the need to begin considering the various operating and project expenses to be included. The budget needs to be completed and approved prior to mailing of the notification of the 2017 annual assessment which is sent at the end of November.

Old Business:

Road Projects:

The Draft Road Policies will be published in the 2nd quarter 2016 newsletter for consideration by the membership and will be also discussed at a 3rd quarter Board meeting at which time the ownership can provide additional feedback/comments. After this discussion, the Road Policies can be adopted.

There was discussion concerning the road engineering and maintenance projects recommended by the road committee and previously discussed at the May 14th Board meeting and June 15th Board teleconference.

MOTION: Art Fine made a motion to approve the 6 road projects recommended by the Road Committee as outline below:

Project #1 - Approve \$5,000 of project/reserve funding to perform preliminary engineering evaluations for road segments in the Meadowgreen and Eagles Watch subdivision to determine work effort required to bring these road segments up to the County's common road standard. Road segments to be evaluated: Meadowgreen - Barr Trail and Ormega Way. Eagles Watch - Broken Talon Way, Snowbird Way, Sunbird Way.

Project #2 - Approve an incremental \$5,375 of project/reserve funding to complete maintenance work on Filly Trail E and Colt Trail from CR16 to King Bolt Trail. Total project of \$11,375 funding to cover cost of grading and material.

Project #3 - Approve an incremental \$12,000 of project/reserve funding for maintenance work on Colt Trail from CR16 to Quarterhorse Way. Total project of \$15,500 funding to cover cost of grading, ditching and material.

Project #4 - Approve \$10,750 of project/reserve funding for maintenance work on Whiffle Tree Trail from Hoch Eye Way to Shay Way. Total project of \$10,750 funding to cover cost of replacing 40 ft. X 60 in culvert and grading.

Project #5 - Approve \$5,750 of project/reserve funding for maintenance work on Filly Trail and Palamino Way beginning at CR16. Total project of \$5,750 funding to cover cost of grading and material.

Project #6 - Approve \$2,000 of project/reserve funding for maintenance work along 1.5 miles of Hoch Eye Way miles beginning at CR16. Total project of \$2,000 to cover cost of grading.

John DiNicholas seconded. The motion passed. Dissenting: Brad Church. Abstaining: Barbara Houston.

Trails Projects:

The Sunset Trail Project design has been completed by Routt County Riders (RCR) and they are prepared to move forward with trail construction. Total estimated construction costs is \$13,200 (Design: \$1,320, Build: \$11,880) In addition to RCR's construction costs, there are additional expected costs for trail amenities such as benches and signs.

MOTION: Tom Rashid made a Motion to release the additional \$10,000 of the \$20,000 budgeted for Trail Projects for the Sunset Trail project. Art Fine seconded the Motion. Motion passed without dissent.

Annual Meeting – July 23, 2016:

There was general planning discussion concerning the upcoming annual meeting to take place on July 23, 2016.

New Business:

John DiNicholas is still researching possible opportunities for a community recycling program and is in discussions with Twin Enviro to seek possibilities of discounts or a possible green machine once a month where owners could drop off their recyclables.

Next Board Meeting: 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 2016 – July 2017) and the scheduling of the next Board meeting.

The Meeting was adjourned at 1:10 PM