

STAGECOACH PROPERTY OWNERS ASSOCIATION

Meeting of the Board of Directors
Resort Group Conference Room
Steamboat Springs, Colorado
May 19, 2018

Board Members Present: John Troka (President), Rob Walker (Vice President), John DiNicholas (Secretary), Barbara Houston, Vicky Weber and Matt Kaufmann.

Board Members Present by teleconference: Tom Watts

Management Present: Bryan Ayer, Association Manager

Owners and Guests Present:

Larry Calistro – Lots 107, 114 and 115 Overland
Mike Roach – Youngs Peak Preserves
Corky Fisher – Lot 27 Black Horse I
Artine Yapoujian – Lots 20,33,34,173 South Shore
Tony Borean – Lot 16 Redhawk Village, Lot 110 Morningside
Leah Wolf Martin – Lot 34 Blackhorse II
Earl Springer – Lot 81 Black Horse I

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

With 7 Board Members attending, a quorum was present and business was conducted.

Approval of Board Meeting Minutes and Ratifications:

Approval of February 17, 2018 Board Meeting Minutes

Motion: Rob Walker moved to approve the minutes as amended. Matt Kaufman seconded. The motion passed without dissent.

Member Comments:

There were no member comments at this time that did not reflect what is already on the agenda.

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

Landscape Contract for Coyote Run: As the landscape season started before this Board meeting, the Manager contacted 4 companies to seek bids for the seasonal landscape maintenance of Coyote Run. Two contractors responded with bids and 2 chose not to bid on the work. The Manager hired the same contractor as the previous few years due to the overall rates and past performance. The Board approved.

Cluster Boxes at Eagles Nest area and Ormega Way: The Oak Creek Postmaster had requested two new cluster mailboxes.

MOTION: Jon Troka moved to approve up to \$3,000 of Project/Reserve Funds for Community Infrastructure for the purchase and installation of two – 8 box cluster mailboxes at the specified locations. Tom Watts seconded. The motion passed without dissent.

Nordic Trail Contract: The manager discussed the 2017-2018 season. Even with low snow amounts, the Nordic ski trail season was successful. The Board and members present expressed support for the trail. The Manager was directed to renew the Nordic trail maintenance contract for the 2018-2019 season consistent with budgeted amounts.

Burn Updates and Forestry Consulting Proposal: The Manager gave an update on the results of the contracted pile burning through Fall 2017 and Spring 2018. There were 59 total piles burned. The piles burned included the large community pile in Sky Hitch and slash piles located along Colt Trail, Filly Trail, Bridle Way, King Bolt, Surrey Trail, Bigwhip Way, Wagon Wheel Trail, Cinch Trail, Shay Way, Bucking Way and Wagon Box Way.

The Manager also presented the final draft of Phase 1 of the Forestry Consulting Proposal from NRSG, as well as recommendations to move forward. The recommendations from NRSG include 1) Preparing a 2018 Forest Restoration and Wildfire Risk Mitigation Grant application which is due to the Colorado State Forest Service in late November; 2) Focusing on fuels reduction on the priority areas as identified; and 3) Improving ongoing fire awareness which could include becoming a Firewise recognized community and preparing and sharing fire mitigation and defensible space information with property owners.

The Board had several questions relating to the work. Can NRSG be hired or recommend someone to identify the private lots that need to be mitigated? Could they do the project management for the scope to be done, including the contacting of individual owners and setting up the opting in of individual lots into an overall mitigation plan? Can they complete the applicant for SPOA to become a Firewise Community and at what cost? and can they work with the local districts including Oak Creek Fire and the Routt County Sheriff to work on evacuation route signage and installation and at what cost?

MOTION: Tom Watts made a motion to accept NRSG's draft of the Stagecoach Area Community Wildfire Protection Plan as the final version. Matt Kaufmann seconded. The motion passed without dissent.

State Park Updates: Stagecoach State Park Representatives hosted an informal meeting at the beginning of the month for concerned land owners to discuss a newly proposed trailhead and parking area at the end of Uncompahgre Road in South Shore which will be used to access the state park and the BLM parcel east of South Shore. In addition, they discussed their improvement plans for the Morrison Creek boat ramp and day area. Currently the State Park is continuing to move forward with both projects.

Neighborhood Grant Request: The Manager presented a SPOA Neighborhood Grant Program request from property owners on and around Rock Point Trail in Meadowgreen. The grant request is to help fund a spring clean-up project in the neighborhood. Specifically, the grant will be used to pay for a large dumpster which residents can use while cleaning up their lots. This is the first grant request received under the Associations approved neighborhood grant program.

MOTION: Tom Watts made a motion to approve the grant application \$500 towards the cost of a dumpster for spring clean-up in this neighborhood. Matt Kauffman seconded. The Motion passed without dissent.

ACC: Since the February 17, 2018 meeting there have been 3 new house applications, 2 fence applications and 2 other minor modification applications. Tom Watts, the ACC chairman would like to work towards an agreement on what minor modification projects could be considered to be approved by the community manager vs sending out to the entire ACC committee. Along with this idea, it was suggested that the ACC work on a guideline rewrite of items that are not part of Article V of the Covenants, and to bring back to the Board for approval and possible other suggestions of additional regulations or clarifications.

CCR/Rules Compliance & Enforcement: The Manager presented a summary of CCR/rules violations. The main point of discussion centered around Article V section f. Temporary Residences. The Covenant states 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. This

covenant is consistent with County zoning regulations which prohibit camping on the lots in Stagecoach except for a limit period during construction of a primary residence.

Currently there are three members that have RV's set up on their property in anticipation of building. The Board instructed the manager to inform them of the 120-day timeline and follow up with enforcement as necessary. The Board also discussed that to be consistent with the County, an owner's 120-day exception can begin no sooner than the date the County issues the associated building permit.

Annual Meeting: The Board had hoped to hold the 2018 annual membership meeting in the Stagecoach community instead of Oak Creek. After researching, the Manager determined there are limited locations and the logistics of holding an outdoor meeting would make conducting the meeting in the Stagecoach area very difficult. The Manager requested the Board consider holding the meeting at SOROCO High School in Oak Creek as in the past. The Board agreed. Also, the Manager presented the Board with two new catering options as the previous provider has retired. Ski Town Gourmet was chosen to provider catering services for the meeting.

Accounts Receivable:

The A/R aging report as of May 14, 2018, 2018 shows 476 lots that owe a total of \$54,990. On February 12, 2018 there were 611 lots owing a total of \$98,717. For comparison on May 14, 2017 there were 334 lots that owed a total of \$50,634. Ninety-six accounts owe more than 1 year's assessments (>\$128.00).

In the interest of addressing topics of concern by those owners in attendance early in the meeting, the sequence of items on the Agenda was adjusted.

Old Business:

YVEA ROW request for owner requested service in Overland:

At the August 19, 2017 Board Meeting, The Board reviewed a request for a utility easement across the Association's common area. The easement will allow for an underground interconnection with Yampa Valley Electrical Association's feeder line which currently runs through the common area and Larry Calistro's and Stephen Donalson's lots in the Overland subdivision. Mr. Calistro and Mr. Donaldson are in the process of consolidating several lots and intend to construct a primary residence and have request an easement across to the common area to back of Lot 119 in Overland. The easement routing has changed slightly since the original request at the August 2017 meeting.

MOTION: John Troka made a motion to grant the easement to Larry Calistro and Steven Donaldson contingent upon the Manager contacting YVEA and confirming additional service lines to serve other lots can be interconnected at the junction box to be placed at the rear of the Lot 118. Matt Kaufmann seconded. The motion passed without dissent.

Lot Consolidation Application for Artine and Sydney Yapoujian – Multi Family Lots 20, 33, 34

South Shore: The Manager reported that the application in the packet is consistent with Article XIV of the SPOA Bylaws titled Subdivision Procedures. The applicant's lot consolidation has been approved by Routt County.

MOTION: John DiNicholas made a Motion to approve the Yapoujian's lot consolidation application including the vacating of the Association's trail easements along the internal side property lines eliminated with the consolidation. The current and future owner(s) of this consolidated lot are required to pay SPOA assessments on the original 3 lots of Multi-Family Lots 20, 33 and 34 in South Shore. Tom Watts seconded. The motion passed without dissent.

Water Well Permitting on Consolidations – Q & A with members of the Morrison Creek Board:
In attendance at the meeting were Steve Colby, MCWSD Manager; Leah Wolf Martin, Lot 34 Blackhorse II owner and MCWSD Board Member; and Tony Borean, Lot 16 Red Hawk Village and Lot 110 Morningside owner and MCWSD Board Member. At the April 19th MCWSD Board meeting, the Water Board adopted a new Lot Consolidation Agreement that would essentially put the name of the permittee for the well under the owner's name and not under Morrison Creek's name as it has been in the past. Although this does not affect the IGA with Routt County that governs the use of sealed sanitary vaults, it does impact owners looking to consolidate lots. Specifically, the drilling of water wells is prohibited per Article V, Section g. of the SPOA Declaration of Covenants except as may be required by the public water system. If a water well is permitted under the individual lot owner's name, then it cannot be considered part of Morrison Creek's water system. The SPOA Board will work with Morrison Creek and Routt County to see if a solution can be found which does not require owners to violate the Association's covenants.

Presentation by Mike Roach regarding trails around Stagecoach: Mike Roach, owner of the Young's Peak Preserve, spoke to his overall support of the current trail system being built and would like to work with SPOA to continue to build and interconnect trails with those on his property. He presented an overall map of a potential trail that would connect with the Young's Peak connector trail that was built last year by SPOA and then run along his fence line and eventually crisscross down to the Youngs' Peak neighborhood at the end of Stagehorn Trail.

There is a possible section that could be built by SPOA this year and that Mr. Roach could join into in a year or two with the rest of the trail.

MOTION: John Troka made a motion to move forward in collaboration with Mr. Roach on an interconnecting trail system that incorporates his land and the SPOA common areas. Matt Kauffman seconded. The motion passed without dissent.

MOTION: John Troka made a Motion to direct the manager to identify a professional firm for the purpose of drafting an overall trail and master plan for the community and to bring those costs forward to the Board. Rob Walker seconded. The motion passed without dissent.

NOTE: Tom Watts left the meeting by teleconference at 11:35. With 6 Board members still in attendance a Quorum was maintained.

Treasurer's Report:

Matt Kaufmann presented the Association's financial report and statements as of March 31, 2018.

Total Cash at the end of March was \$610,711 of which \$157,106 are restricted road funds held for Horseback, Morningside and South Shore.

Accounts payable at the end of July was \$3,830.

Operating income for 3 months was \$30,334. This amount reflects net operating assessments of \$28,631 and \$1,702 in other income which is predominately late fees.

Operating expenses for the same period totaled \$25,032 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. As of March 31, 2018, the net operating fund surplus was \$5,302.

Project/Reserve Fund income of \$37,720 primarily reflects \$73,630 in member assessments. Year to date project/reserve spending was \$5,946 and was comprised of Wildfire Mitigation costs associated with updating the Stagecoach Area Community Wildfire Protection Plan as well as \$2,624 in legal costs associated with water and common area issues.

Restricted Fund income for this period was \$39 which was the interest earned on funds held. There has been \$1,441 spent on legal work associated with enabling use of the Morningside/South Shore Restricted Road funds for other infrastructure projects in these subdivisions.

Accounts Receivable – Collections: Accounts Receivable as of March 31 was \$63,593. As of May 14, 2018, the A/R was \$54,990.

2018 Foreclosure Actions: At the February 17, 2018 BOD meeting, the Board reviewed the list of properties significantly delinquent in paying their annual assessments. Matt Kaufmann gave an update on his research into the fair market value of Lot 3 Meadowgreen so that the Board could make a decision on whether to start the foreclosure process due to the owner's failure to pay annual assessments.

MOTION: John Troka made a Motion to foreclose the Association's assessment lien against the property of Jeff Keller, owner of Lot 3 in Meadowgreen and therefore to direct the Law Office of Sarah D. Claassen P. C. to commence suit against Jeff Keller, seeking judgement and a decree of foreclosure; to authorize Claassen to submit the decree of foreclosure, when and if received with the Routt County Sheriff's Office to proceed to foreclosure sale. Matt Kauffman seconded the motion. The motion passed without dissent.

Proposal to Change Banking Relationship:

MOTION: John Troka made a Motion to change The Stagecoach Property Owners Association banking relationship from Vectra Bank to Yampa Valley Bank and to establish the same three accounts SPOA has today with similar restrictions, thereby, transferring all funds into new Checking, Money Market and Restricted Fund Accounts for Operational and Reserve Funds of the Association and to authorize the SPOA President and SPOA Treasurer, as well as the Senior Director of Accounting, VP of Accounting and President or VP of Steamboat Association Management to be signers on the account. Vicky Weber seconded the Motion. The motion passed without dissent.

Old Business Continued:

Donation of lots to SPOA by current members: The Manager has been contacted by some individuals asking about donating their lot to SPOA, with the main goal of being able to add these lots to SPOA common area. There is an issue in that, in order to add a donated lot into

the overall common area of SPOA, it would change the total number of lots and therefore would need 67% of the ownership to approve the change. The Association can accept the lots if it is willing to forego future assessments on the lots owned and pay the annual property taxes. No further action taken at this time.

Morningside/South Shore Road Settlement Agreement: At the November 18, 2017 meeting, the Board agreed to retain legal counsel to petition the District Court to modify the terms of the original Morningside/South Shore road settlement agreement. Specifically, the Board is seeking Court approval to allow use of the restricted road funds for other infrastructure projects within these two subdivisions. The petition has been filed and currently we are in a comment/response period where involved parties, including Routt County, can respond to our motion before the case is reviewed by the Court.

South Shore Electrical Project: Subsequent to the February 17, 2018 Board Meeting, the adopted Board Resolution and Ballot regarding the South Shore Electrification Project and Special Assessment has been sent out to the following 13 impacted lots, in the South Shore at Stagecoach Subdivision: Lots 139-142, 166-171 and multi-family Lots 20, 33 and 34. Of the 13 lots the Manager has received votes from owners representing 8 lots. As of the meeting, there are 7 votes in favor of the project and associated special assessment and 1 vote against. Nine (9) votes are needed for the special assessment to pass.

Review of Bids for purchase of SPOA owned Lots: The Manager received several bids for Lot 95 in Overland and Lot 22 in South Station II that were acquired through foreclosure of the Association's liens for unpaid assessments. The Board felt that the offers were too low to help recover the costs associated with the foreclosures.

MOTION: John Troka made a motion to propose a counter offer to Mr. Douglass allowing him to acquire Lot 95 Overland for a purchase price of \$4,500 and the payment of any closing costs associated with transferring ownership of the lot. Rob Walker seconded the motion. The motion passed without dissent.

MOTION: John Troka made a motion to propose a counter offer to Mr. Bernard allowing him to acquire Lot 22 South Station II for a purchase price of \$4,500 and the payment of any closing costs associated with transferring ownership of the lot. Rob Walker seconded the motion. The motion passed without dissent.

Covenant Amendments: The Board discussed preliminary drafts of the proposed covenant amendments in preparation of presenting final drafts for consideration and discussion at the

annual meeting. They reaffirmed the intention to move forward with proposals to amend the Association's covenants to: (1) allow up to 4 horses on consolidated lots of 5 acres or more, chickens and /or other animals with restrictions; and (2) to allow for the parking of one trailer of a recreational nature on an owner's property at the side or rear of the primary residence. All other trailers would need to be kept within an enclosed garage or auxiliary building. In addition to the amendments for animals and trailers, the Board discussed drafting an amendment to allow for the drilling of water wells to deal with the issue created by Morrison Creek's adoption of the new lot owner agreement for consolidated lots. John Troka will prepare the final drafts of the proposed covenant amendments for the annual meeting.

New Business:

Nominating Committee: There are three Board positions whose terms expire at the upcoming annual membership meeting. In addition, there is a vacant Board position with two of three years remaining on its term. At the current time there has been few interested owners identified to fill these positions. Board members and the community manager will continue to solicit owners to serve on the Board with a goal of identifying candidates to stand for election to fill the four board positions. The 2nd quarter newsletter will include a call for candidates.

Road Maintenance and Repair: There was discussion about what road projects to work on for 2018. Last summer the Manager had obtained bids for the grading and drainage work on Shay Way, however that was postponed due to the Board wanting to better understand the potential financial implications of the water well issue with the Colorado Department of Water Resources. The Manager was directed to obtain new bids on that project including appropriate ditching and grading on Shay down to Whiffle Tree. Manager was also directed to investigate chemical mowing possibilities and associated cost estimates. In 2016, the Board had several short roads/cul-de-sacs in Eagles Watch and Morningside that are not County maintained surveyed and engineering estimates prepared to bring them to county standards. The Board would like to continue pursuing the construction phase of these projects and directed the manager to seek construction cost estimates.

Executive Session:

MOTION: John Troka made a Motion to go into Executive Session pursuant to CRS 38-33.3-308(4) (f) to discuss matters pertaining to legal discussion. The Motion was seconded and approved unanimously. The Board went into Executive Session at 3:30 p.m.

The Executive Session was adjourned at 3:50 p.m.

No Motions were made from Executive Session

Next Board Meeting: The next Board meeting is scheduled for Saturday, July 21, 2018 immediately following the annual membership meeting at SOROCO High School in Oak Creek.

The Meeting was adjourned at 3:52 p.m.