

STAGECOACH PROPERTY OWNERS ASSOCIATION

PO Box 774845, Steamboat Springs, CO 80477

January 12, 2013

APPROVED RECORD OF PROCEEDINGS

The directors of the Stagecoach Property Owners Association (SPOA) met on Saturday, January 12, 2013 at the Stagecoach Fire Station for their regularly scheduled quarterly meeting.

Members Present: Tom Watts (President), Skip Moyer, Mike Koponen, Dave Hacket, Tonja Elkins, Arthur Fine, Robert Skorkowsky, and Ann Holmes

Staff Present: Ken Burgess (General Manager), Corky Fisher (Project Manager)

Also Present: Josh Voorhes, Kimi Lehman and Tony Stitch (Roads Committee and ACC)

Tom Watts called the meeting to order at 9:00am.

Public Comment

Josh requested that SPOA pay for an engineering assessment of Whiffle Tree Trail from the first intersection with Halter Trail to the boundary of Skyhitch II Lot 110. Robert added that a civil engineering design plan might not be necessary. NWCC could do the soil test and make the recommendations and the county will accept those as plans. The county is concerned primarily with compaction. Tom stated that the matter would be deferred to later in the meeting for discussion and a possible vote.

GM Report

- Nordic Trail/Bike Trail – Ken referred to his handout containing accounting information on the trails. It is being used and enjoyed.
- Halter Way – Ken noted that Landmark is working on it.
- Horseback – Kim Wright has received a new requirement from the County for a snowplow turnaround (estimated at \$2,500). Kim has completed the work. The county is currently plowing the road.
- Public Works Contribution – There is a provision in the Routt County subdivision regulations requiring developers to contribute an “impact fee” of money in lieu of property for public use. Because Kim Wright's lot consolidation is treated as a "subdivision" for County purposes, Kim has just been hit with a requirement that she pay over \$1,000 by way of impact fee. Ken suggested that SPOA would be interested sending a couple board members to the County Commissioner meeting to report on SPOA needs—there is a difference between small owner consolidations of lots and a “developer” consolidating lots for development (plead Kim Wright's case). Dave also mentioned getting in front of the Planning Commissioners. Skip and Dave agreed to meet with the County to discuss the effect of the impact fee on Stagecoach and other issues affecting SPOA.
- Logging – Ken reviewed the accounting on the logging project. Bottom line, the cost to SPOA will be about \$110,000.
- Operating Budget – Ken reviewed the accounting on the operating budget.

Job Description for General Manager and Project Manager – Per board member request, Ken submitted job descriptions. Tom asked that members review these and consider any request for bidding out either or both of these jobs during future meeting. Robert requested an estimate of time required for these jobs.

Request of Electricity Reimbursement for Tony Stitch

Skip requested clarification from the last board meeting that it was agreed that 60% of an invoice would be paid by SPOA (it was noted that Tony was planning on submitting an invoice for a total of \$5,000). He was

concerned that only \$1,800 was reimbursed. Tony has submitted paperwork to Ken and it is under review. Tom noted that SPOA would review the policy later in the meeting.

Note: 10:00am Ken, Tony, Kimi left the meeting

Policy Recommendation – Disbursement of Horseback funds for improvements

Skip distributed a handout with three different proposals. He proposes accepting proposal #2. Dave asked that mailboxes be included. Robert noted that it is a road settlement fund. The settlement currently states use of funds shall be used for the improvement, development or protection to include but not be limited to roads, sewer, electricity, telephone and water. Still, it is up to the board's discretion as the fiduciary trustee of the account. Tom noted that notification must be made for any expenditure over \$1,000 according to the settlement. Skip noted that SPOA needs a policy on this going forward. Robert cautioned about retroactive requests.

The proposed policy states:

“The SPOA board hereby determines that the construction of roads is the highest priority for disbursement of these funds, given that a building permit can not be obtained until roads are improved to current County standards. In the future the Board will not approve requests for disbursements for any other infrastructure improvements.”

Motion: Skip made a motion that the above stated proposed policy be incorporated into the policy explained in the “Notice to Horseback Property Owners” dated November 19, 2012. The motion passed with one “no” vote by Mike Koponen.

Dave suggested a motion to extend this policy to the other two subdivisions that received settlement funds. Tom noted that the court orders are unique. He suggested discussing this at the next meeting. No motion was made.

Ratification of October 27, 2012 BOD Minutes (previously approved by email)

Minutes were sent out for approval. There were some typo corrections. There were two additional changes to the original minutes. The first was a clarification on Tony's request for reimbursement. The second was an additional statement for the approval of funds to Landmark. Mike wanted to include a statement in the minutes explaining the reason for approval.

The clarification on the first states: “Skip made a motion to reimburse Tony 50% of the approximately \$5,000 Tony stated he spent for electric line infrastructure work he had done in the past. Robert seconded. David amended the motion to change the percentage to 60% of the \$5,000 pending submission of invoices...” (see October 27, 2012 meeting minutes for actual verbiage)

The second clarification was to add an explanation for the approval of Landmark design expenses. Tom added verbiage similar to, “in keeping with an effort to give people a more accurate view of actual cost involved in a request for special assessment...” (see October 27, 2012 meeting minutes for actual verbiage)

Motion: Ann made a motion to approve the minutes as discussed. Mike seconded and the motion passed. Tom agreed to re-distribute the October 27, 2012 meeting minutes.

Ratification of Prior Email Approval for Engineering on Halter Trail

Motion: Ann moved to ratify the earlier email approval for engineering on Halter Trail. Mike seconded. The motion was unanimously approved.

Ratification of Email Approval of Additional for Logging Contracts

Motion: Robert made a motion to ratify the earlier email approval of an additional \$20,000 for logging contracts (there were 6 approvals). Dave seconded. The motion was approved. Mike noted that email voting is confusing and asked Tom to include in future final emails a tally of how each member voted.

Logging Status

Robert noted that the total cost that has been authorized (excludes burning expenses) is about \$178,000. 146 acres of logging are currently complete with approximately 30 acres yet to be complete (23 acres of that is currently under contract). Robert met with the State Forest Service about deadlines. The problem is that the job would need to be done by February 1st. Robert anticipates the final accounting of the project coming in \$9,300 under the approved budget figures (because of opt-in monies). That would cover about 13 acres to finish Horseback. Robert has not checked with the logger to see if he could even do the acreage not currently under contract. Mike wants to make sure those who opted-in get their job done. Tom clarified that Robert is not asking for additional money and the board has given Robert discretion within the budget to manage this project.

Robert then made an update on the pile burning project. Most of the burning has been done. The already authorized \$5,400 may not need to be spent. The next opportunity to burn will be this Spring.

Robert asked the board to think about hazardous trees in Stagecoach. Even after this project, there are still hazards and more work to be done—especially on vacant lots. Ann noted that there might be other grants out there for owners who are concerned. Robert also noted that the economics of logging is changing and there may be future benefits. Art noted that Stagecoach has gotten no publicity on this project thus far.

Motion: Art made a motion and Mike seconded that the General Manager pursue publicity on the logging project. The motion was approved unanimously

Tom encouraged people to get out there and really see what a difference this project has made in the southern suburbs.

Request for Additional Funds for Road Construction Plans

The directors previously approved money for the preparation of road construction plans for Halter Trail, beginning at the intersection with Whiffle Tree Trail. Robert reported on the status. The initial survey is complete. Robert is recommending that plans be prepared for a road extending the first 3,300 feet along Halter Trail from its first intersection with Whiffle Tree to its second intersection with Whiffle Tree including adjacent intersections. Robert hopes to get bids for construction of these roads in March. SPOA would then write letters to the owners along the proposed road to see if there is interest in contributing to the cost of construction.

Tom noted that these construction plans and bids may be used to let people know the costs for both/either the special assessment or a simple request for affected lot owners to pay a portion of road building. Tom is not sure but there may be a way for anyone who pays more than their fair share initially to receive reimbursement from anyone who benefits (by building on their property) in the future (i.e. anyone who does not pay up front).

With respect to Josh's earlier request for construction plans for Whiffle Tree south of its intersection with Halter Trail, Robert said he had discussed the matter with Landmark Consultants. They suggested that Robert go back to NWCC to get soil samples and tests. That should be sufficient to get bids and approvals for this road (Whiffle Tree). Josh clarified that there are different classifications of types of roads (from existing roads that just need an upgrade to those roads that do not yet exist at all). Skip wondered about the desires of the owners in the southern subdivision and their understanding about the costs of developing that community.

Motion: Robert made a motion to de-obligate the \$5,400 previously allocated for slash burning. Ann seconded the motion. A discussion followed. Mike wanted to make sure this would not affect the slash burning that still needs to occur. Robert confirmed that the fire department has looked at the situation and agrees that things can be done for less. The motion passed unanimously.

Motion: Robert made a motion to approve not more than \$5,000 to be used for soil work and associated evaluation by NWCC for the section of Whiffle Tree Trail from Halter Trail through Skyhitch II to the south end of lot 110. Tonja seconded the motion. A discussion followed. Skip is concerned that SPOA is acting based on one request and not a policy. Robert responded that SPOA is learning through this process and it is

hard to learn without bids. Dave noted that SPOA hears again and again that roads need to be priority. However, he asked SPOA to get a better idea on what owners really want. Tom noted that he has been in contact with many members in the southern subdivisions and roads are indeed their priority. Dave wants a representative sample for the desires of owners in the southern subdivision. Tonja noted that this is just a first step.

A vote was taken and the motion was approved with Dave and Skip opposed.

Project Manager Report

Corky reported on:

Morningside violation – Mr. Kidder has been notified multiple times about the property. Corky noted that he is trying to work with the County to condemn the property--Routt County is investigating the property from a health regulation violation standpoint, but they seem to want SPOA to deal with this property. There are liens on the property including a lien for SPOA dues. Corky recommends pursuing foreclosure (SPOA then could sell the property) or go another direction. Tom reported that SPOA, under the terms of the Stagecoach Covenants, could go in and tear down the building and charge Mr. Kidder for the cost. Basically, SPOA needs Kidder to bring the building up to code and covenant. Corky reported that a foreclosure would cost about \$4,000 or a teardown, would cost about \$3,000. Tom reported that in a foreclosure situation, SPOA would probably be the sole bidder on the property. Robert proposed the idea of SPOA offering Kidder less than the cost of foreclosure.

Motion: Tom made a motion to offer to purchase Mr. Kidder's property for \$2,500 plus the forgiveness of his debts to SPOA. This offer would remain open for 45 days. If Kidder does not accept the offer, SPOA would then proceed with foreclosure, the details to be worked out by the SPOA General Manager and Project Manager. Tonja seconded the motion. The motion passed.

Kriessig status – An individual in Blackhorse II has asked for a hearing to address violations regarding an unauthorized structure, unauthorized construction of a pond, as well as unapproved commercial business. Corky simply noted that ARC has been difficult to work with on this matter. Tom would like to know with whom Corky would like to work on this matter. Corky will work directly with Tom. Tom could then work with the board.

Scrafford status– Corky noted that he has cleaned up some of Scrafford's property (Blackhorse II). He is still behind on dues and there are liens on his property. Corky will continue to work with Scrafford on this issue using fines. Tom asked that SPOA proceed through the courts as much as possible with this matter. Tom also asked Corky work with Ed Colclosure to act as intermediary to speak to Scrafford about any objections. Scrafford would have to pay SPOA for any additional clean up of his property.

Abandoned Truck – Corky noted that there is an abandoned truck sitting on Mavrick Way in the County right-of-way. He has spoken with the Sheriff's Office and Routt County as well as written the owner multiple times. Tom suggested hiring a tow truck to move the vehicle to the County right-of-way on County Road 16. Dave recommended calling a local abandoned vehicle company and have them take it away (those companies have a procedure for dealing with abandoned vehicles). Corky will call and try to have the vehicle removed.

Covenant Amendment Regarding Special Assessment

Tom distributed a proposed covenant amendment.

Motion: Tom made a motion that SPOA approve the proposed covenant amendment to Article IV, 1., section d. of the covenants; recommend to the membership their approval of the amendment; and authorize the delivery of the proposed amendment with a ballot and an accompanying letter. Skip seconded the motion. Dave clarified that the ballot acts as "the instrument to approve..." The ballot will have a "yes" or "no" option as well as a signature requirement. Tom noted that he would send out a draft of the letter to the board

before distribution. The motion passed unanimously.

Note: Ken Burgess returned to the meeting.

Separation of Annual Meeting and 4th Quarter

Tom has felt that a board meeting directly following the Annual Meeting has not been substantive in the past. He suggests that this year there be regular board meetings in April and July with the Annual Meeting scheduled at the end of July. Ann noted that she would like to investigate moving the Annual Meeting to the end of August. Tom suggests that a date be picked at the April meeting.

Discussion of SPOA Master Plan

Skip distributed the "SPOA Board Survey" dated December, 2012. He asked the board members about their desires for the direction of the board over the next five years or so. He reported on the results. One major problem identified is that SPOA does not have enough money to do what SPOA wants to do. He reported on the top 5 topics: road development, lot consolidation, covenant changes, master recreational plans, and community buildings.

Ultimately, without an ability to change covenants (the voting requirements are too onerous), SPOA will struggle. He spoke about interesting ideas from the survey including the Morrison Creek Water District, a mission statement for SPOA, and a survey of the lot owners in the southern subdivisions. Currently, SPOA is a lot owner's association not a homeowner's association. Dave spoke up about a "Lot Owner's Tool Kit" for lot owners to help them truly understand what it would take to do something with their lot. The tool kit might include a checklist on working with the county, and costs to consider for building, what are vaults, etc.

Tom commented about "living off the grid." He would like to see on the web site not only a "tool kit" but also sections like; "here are some processes...", "costs you may want to consider...", "ideas on how to achieve living off the grid...", and etc. He has considered writing an article or two for the web site about how he and others have done it. There are also overall environmental concerns for the whole area.

Mike asked about surveying the owners. Skip noted that surveying the board was simply the first step. There was discussion on how different the responses would be for each area. Skip summarized that one outcome might be to publish something. He would like to see a written action plan that could be published for all members to see.

Motion: Dave moved to commit the resources necessary to do a membership wide survey similar to the SPOA Board Survey. Tom seconded. Robert would like to see a dollar amount. Skip, Dave, Mike would determine the scope, structure and content of this survey. Dave added to the motion that a survey is subject to board approval of the cost and content. Tom seconded. Art noted that surveys are extremely technical and he is not sure the board has the expertise to send out a substantive survey. The diversity of each subdivision should be considered. A vote was taken and the motion passed.

Last Comments

Corky asked for approval to get rid of the chipper. Robert noted that it was well used this past summer. The fire department might use it again. Corky will check with the fire department. Corky will come to the next meeting with a recommendation.

The next meeting was scheduled for April 6, 2013.

The meeting was adjourned at 2:09 p.m.