

STAGECOACH PROPERTY OWNERS ASSOCIATION

Meeting of the Board of Directors
Resort Group Conference Room
Steamboat Springs, Colorado
August 27, 2016

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

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

Owners Present: Trevor Douglas – Owner of Lot 96 Overland

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

With 5 Board Members attending, a quorum was present.

Approval of Board Meeting Minutes and Ratifications:

Approval of July 9, 2016 Board Meeting Minutes

Motion: Art Fine made a Motion to approve the minutes as written. John DiNicholas seconded.
The Motion Passed. Abstaining: Vicky Weber

Approval of July 23, 2016 Board Meeting Minutes

Motion: John DiNicholas made a Motion to approve the minutes as written. Zed Ogle seconded.
The Motion Passed. Abstaining: Vicky Weber

Member Comment:

No general comments were made by members of the Association in attendance.

Member Hearing:

A Request for Hearing, as allowed per Article IV of the SPOA Governance Policies, was received in writing prior to the Board meeting from Trevor Douglas, owner of lot 96 Overland, in regards to his violation of SPOA covenants on improving lots and building structures. Bryan Ayer updated the Board on the situation that involved the building of structure which had not been reviewed and approved by the ACC as required by the covenants. Additionally, the presence of the unapproved structure is also a violation of the approved guideline regarding ancillary buildings in that “no ancillary building shall be constructed

unless a dwelling has previously been constructed on the lot or is being constructed contemporaneously with the dwelling.”

Mr. Douglas was initially contacted by phone when the structure was discovered. Since then in compliance with the Article IV, he has subsequently received two letters informing him that in order to cure the violation the structure would have to be removed by the stated dates in the letter. At this time the structure still stands.

Trevor Douglas addressed the board with an explanation of how the structure came to be. He was under the impression that Routt County Regulations “trumped” the SPOA covenants. His plan was to build this structure as a tool shed for use when he constructed a house at some point in the future. He presented a sketch of a proposed ancillary building and stated that when he does go to build the house he would like to have this structure in place to hold his tools and materials.

He was informed by the Board that the structure could only be built after his plans for the house had been approved by the ACC. He was also informed that in order to proceed further with the construction of a home, the County would need to issue him a building permit which would require an Oak Creek Fire District approved road to his lot. Furthermore, as centralized water and wastewater infrastructure is not currently available to his lot, he also needs approval from Morrison Creek Water and Sanitation District for a well and vault. These approvals will need to be included in his plans submitted to the ACC.

Mr. Douglas stated that he is now aware of the items that need to be completed and that he is asking for the fines associated with his covenant violations to not be implemented at this time. He agrees to dismantle the structure within an allotted amount of time but requests to leave the material on the property, covered and hidden, until he begins his home construction which he expects within the next two years.

MOTION: John Troka made a Motion to defer imposing the \$250 fine until September 30, 2016 contingent upon Mr. Douglas dismantling the platform on his lot. The deferred fine will be immediately due and payable if Mr. Douglas fails to dismantle the structure by September 30, 2016. In addition, Mr. Douglas will be allowed to store the materials on the lot, out of site, until September 30, 2017 at which time he must provide evidence that he is actively moving forward with the building of a home on Overland lot 96. If evidence is not provided, then all material must be immediately removed. Failure to do so will subject Mr. Douglas to additional fines. Art Fine seconded. The Motion passed without dissent.

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

Silver Creek Fire Update: Bryan Ayer gave a summary of the current status of the Silver Creek fire and highlighted the process of receiving information on a daily basis from the briefing team and forwarding

that to the ownership through email. There were many positive responses from owners regarding the timely updates.

Update on Road Maintenance Projects: Mike Halder has begun work on the BOD approved road maintenance projects, but due to the dry conditions, the grading is difficult. Bryan Ayer presented cost numbers to the board for renting a water truck to assure that the work can be completed correctly. Members of the Board requested more information on how much water Halder would need and the cost of the water itself. It was decided to table the issue until the additional requested could be presented.

Road Survey and Engineering Work: Four Points Engineering is performing the preliminary survey and engineering evaluations for road segments in the Meadowgreen and Eagles Watch subdivisions. This project will help identify what is required to bring these road segments up to the County's common road standard.

Splitter: At the July 29th BOD meeting there was a motion approved to sell the splitter. It was sold to an owner that lives in Avon for \$750.

ACC/CCR/Rules: Bryan presented the latest ACC applications spreadsheet. Since the July 9th Board meeting there has been two more approved house applications for lot 35 in the Neighborhoods at Young's Peak and lot 8 in Red Hawk Village. There has also been another approved ancillary building on lot 26 Black Horse 1.

Greenhouses: At the July 9th Board meeting, the Board was informed that an ancillary building greenhouse application had been denied as it doesn't fit with the architecture or scheme of the dwelling. There are several other greenhouses within SPOA that were large enough to be considered ancillary buildings and Bryan has sent informal letters to these owners to either provide information that these structures had been approved by the ACC and if not to contact the manager to reach a solution. As of this meeting one of the unapproved greenhouses has been dismantled.

Accounts Receivable and Collections: As of August 25th there were 253 lots in arrears for a total of \$45,430. As of July 8th there were 298 lots for a total of \$49,953. In comparison, as of August 25, 2015 there were 168 lots in arrears for a total of \$40,960.

Treasurer's Report: With the absence of Brad Church, John Troka presented the financial report.

A review of the current fiscal year financials statements through July 31, 2016 indicates:

Total Cash at the end of July was \$439,579 of which \$157,784 are restricted road funds held for Horseback, Morningside and South Shore.

Accounts payable at the end of July were \$3,861

Operating income for the first 7 months of 2016 was \$60,766. This amount reflects net operating assessments of \$56,703 and \$4,063 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 \$56,294 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. There was \$1,685 spent on professional services that was not originally budgeted due to an accounts receivable settlement that resulted in additional costs due to pursuit of monies owed. As of July 31, 2016 the net operating fund surplus was \$4,472.

Project/reserve income reflects \$66,126 from annual assessments and interest for seven months of 2016. Year-to-date project/reserve spending was \$6,137 and included costs for community infrastructure, legal projects, and road maintenance. The net surplus of the project/reserve fund through July 31 was \$59,989.

The total remaining to be spent on approved project/reserve initiatives is \$98,924.

Restricted Funds income reflects \$120 of interest income earned on funds held. There are no year-to-date restricted fund expenses.

Old Business:

Election of Secretary: The Position of Secretary was not appointed at the BOD meeting following the Annual Meeting. As Barbara was not able to be present at this meeting the decision was tabled.

Road Policy: The draft road policy was published in the 2nd quarter 2016 newsletter for consideration by the membership, it is also available online at the Association's website and hard copies were provided at the 2016 annual meeting held in July. There were not written comments from the membership and no members present to provide feedback on the draft road policy.

MOTION: John DiNicholas made a Motion to adopt the road policy as drafted and presented to the ownership thus following Article VI of the Governance Policies regarding Procedures for Adoption and Amendment of Policies, Procedures and Rules. Zed Ogle seconded. The Motion Passed. Dissenting: Art Fine.

The new adopted Policies will be published and posted on the website.

Trails Project: The trail project on the common area west of the intersection of CR212 and Schussmark Trail was completed by Routt County Riders. There is still a bench that needs to be made and installed at the overlook portion of the trail and also some trail signage to be acquired and installed by SAM.

Wildfire Mitigation: Brad Church has been working on a plan for the overall wildfire mitigation within SPOA including the option for owners to opt in to clear their lots of dead trees. As Brad was not in attendance at this meeting, there was not an update.

New Business:

2017 Budget Presentation: John Troka presented a preliminary operating budget for 2017. The proposed budget reflects a slight decrease in overall expenses. The preliminary budget reflects the contractual increase of 3% to the SAM management fee; a reduction in professional accounting fees reflecting a decrease in the cost of next year's independent financial review which will be for one year versus 16 months, and a reduction in the cost for meetings, communications and utilities based on recent trends. Budgeted amounts for professional legal services, bank charges, insurance and maintenance costs are consistent with those budgeted and incurred in 2016.

Final discussion and approval of the 2017 budget and annual assessment will occur at the November Board meeting.

Executive Session:

MOTION: John Troka made a Motion to go into Executive Session pursuant to CRS 38-33.3-308(4) (a) to discuss matters pertaining to employees of the association or the managing agent's contract. The Motion was seconded and approved unanimously. The Board went into Executive Session at 11:30 AM

The Executive Session was adjourned at 11:55 AM

No Motions were made from Executive Session

Next Board Meeting:

John Troka will be sending out an email to the Board to set up two meetings. The first would be a work session in October to discuss 2017 projects and priorities. The second would be the 4th Quarter Board Meeting in November to finalize and approve the 2017 budget and annual assessments.

The Meeting was adjourned at 12:05 PM