

January 31, 2017

Update to Elk Springs Homeowners:

Since the elections were held on November 14th, your Board has been working on several projects and initiatives which we would like to update you as to the progress.

Transition to new Property Manager

Elk Springs entered into an agreement with Fleischer Property Management (Fleisher) in October to replace First Choice Properties. Any transition is difficult and this transition has not been without its bumps in the road. We have been experiencing difficulty in reconciling several accounts, billing for our first half 2017 Association dues and locating contracts and other files. Georgia Boyd and Fleischer have been very diligent in working together to resolve these matters in a timely manner.

This transition has pointed out the importance of having written policies and procedures for all facets of our community – from maintenance and operation of the front gate, snow removal and water to document retention, billing procedures and financial reporting. Our goal is to have a complete and well documented manual of our policies, procedures and controls by the end of the summer.

Transition to Owner Control

On October 26, 2016, the HOA Board signed the Global Transition agreement with Elk Springs LLC (our developer) that outlined the terms for the transition of our HOA from developer-controlled to member control. This agreement paves the way for Elk Springs to become compliant with the provisions of CCIOA – the Colorado Community Interest Ownership Act.

In connection with the signing of this agreement, several actions are now required by the membership and the Board of Directors.

– The membership of the HOA is required to ratify the Transition agreement. Mail-out ballots were sent earlier this month and the voting is still taking place. An affirmative vote of the majority of the non-LLC owned lots is required for ratification. Since there are 167 non-LLC lots, a majority would be 84 votes in favor of ratification. As of today, we have received 52 votes in favor of ratification. **If you have not returned your ballot to Fleisher, please do so as soon as possible.**

– Elk Springs currently has 7 documents that govern our HOA:

- The Declaration of Covenants, Conditions and Restrictions (the “Declaration”)
- The Articles of Incorporation
- The Bylaws
- The Design Requirements and Guidelines (DRGs)
- The Covenant Enforcement Rules and Regulations
- Animal Control Rules and Regulations
- Other Board policies

The Global Transition Agreement requires the HOA to approve, no later than May 8th, a new Declaration to replace the current Declaration that was signed in November 1990. Since the new Declaration will

refer to sections of our Articles of Incorporation and Bylaws, these documents require revision as well. The Declaration and Articles of Incorporation require approval of the membership while the Bylaws can be amended by the Board. In order to reduce legal expenses in connection with the Transition agreement and the preparation of new governing documents, the Board has spent hours in researching and drafting these three new governing documents for our legal counsel to review and approve instead of incurring legal expenses for drafting and preparing. While a great deal of the content in these documents is required by CCIOA and the Colorado Nonprofit Corporation Act, there are some areas which require input and decisions by the HOA. These will be discussed at the February 13th Board meeting and each of you are encouraged to attend this meeting so your voice will be heard.

During the month of February and March, the Board will host conference calls and informational meetings to discuss these three important governing documents and obtain your feedback and suggestions.

The amended Declaration and Articles of Incorporation require an affirmative vote of at least 80% of the members of the HOA, including the developer votes. A vote on the Declaration and the Articles of Incorporation is scheduled to take place at a meeting of the Members currently scheduled for March 13th. Meeting notices, proxies and information material will be circulated no later than the end of February. Please keep this in mind and respond either by proxy or attendance at the March meeting.

After the Declaration and the Articles are approved, the Board will approve the new Bylaws.

The Board voted at the January 9th meeting to also review and revise the remaining governing documents outlined above in order to eliminate duplication and inconsistencies within our documents as well as take a “fresh look” at the requirements in each of these documents. Drafts of the other documents - the DRGs, the Covenant Enforcement Rules and Regulations, Animal Control Rules and Regulations and the other Board policies will be circulated to the membership for input and comments prior to approval by the Board at either the April or May meeting. Each of you are encouraged to contact the Board with your thoughts on these documents and how they can be improved for the betterment of our community.

Communications

At the January 9th Board meeting, a discussion was held as to the most appropriate method to communicate with the homeowners. While NextDoor is an effective tool for social communications, the Board determined that a dedicated website would be the more appropriate communication tool for matters impacting the management of our community. With the transition to member-control and adoption of CCIOA regulations, we are now permitted to provide all notices and meeting agendas in electronic form on a website. As a result, the Board entered into a contract for the design, development and maintenance of a dedicated website which we plan to have up and running in the next few months. The website will provide all the documents governing our HOA as well as meeting notices and agendas, minutes of meetings, news and activities, member updates, a community calendar and information for realtors. The annual maintenance cost of the website will be more than offset by the savings in postage and copying costs in connection with mailing notices, agendas, and other documents in connection with member and Board meetings.

In anticipation of this new format for notice to our members, we will be asking each of you to complete an information form which will include your e-mail addresses and other information which will allow us to provide notice by electronic means.

We welcome any ideas and suggestions you may have on our website and its contents and ask that you forward these to Mary Beth Minion.

Operations

As mentioned above, Fleisher Property Management is our new property management company. All homeowners are asked to contact Fleisher directly at 970-_____ to report any issue or to ask questions. If a matter cannot be resolved in a timely manner by Fleisher, they will contact one of the Board members for additional guidance and assistance.

Gary McElwee and Brandon Watson have been handling operational matters within our community. So far, the main projects have been snow plowing, hiking trails and the front gate. This spring we will examine the trails and roads and make a recommendation for road repair and maintenance.

Snow Plowing:

Sacred Ground is under contract to provide snow plowing services to Elk Springs as has been the case for the past several years. The contract with Sacred Ground states that the roads are to be plowed when there is a 3-inch snowfall and begins at 6:00 am and continues until all the roads are clear. The Board received communications from several members regarding the accumulation of slush and the Board authorized Sacred Ground to plow that as well.

The Board has not been able to locate the contract for the current year 2016 – 2017 season but has been told by the prior Board that the contract is the same as the contract for the 2015 – 2016 season. That contract requires that Sacred Ground be contacted no later than 3:00 AM as to whether snowplowing will be required, includes a surcharge for mobilization and a stipulation that Sacred Ground is not responsible for any damage they may cause to Elk Springs. The Board will review the snowplowing services at the end of the season in an effort to reduce costs and improve service and assure that our community is contractually protected for damage.

In the meantime, packed snow and ruts will occur from cars and trucks constantly driving on the roads. All members are reminded to slow down, especially on hills, and take extra precaution when driving.

Gate Operation:

Signs have been posted at the front gate instructing homeowners to contact Fleisher if there are any problems with operating the gate. Gary McElwee met with Fleisher a few weeks ago to update the directory. If any homeowner needs a code, please contact Fleisher. In addition, if any homeowner needs a gate opener, they can purchase at \$45 each from Fleisher. At the January 9th Board meeting, the Board approved the purchase and installation of a new high intensity, infrared camera at the gate. For the security and privacy of our community, homeowners should not be giving their code to contractors or other who desire entrance into Elk Springs.

Trails:

A big thank you to Brandon Watson for packing down the hiking trails for our use in the winter. The Board will be looking at finalizing the trails in Filings 8 and 9 as well as an additional loop trail in the open space.

Committees:

Membership in the two board designated committees are as follows:

Architectural Review Committee:

- Rocky Basler
- Pauli Hayes
- Phil Maass
- Will Vannice

Rules Committee:

- Bruce Cole
- Rory Millard
- Brandon Watson

Each of these committees would welcome additional members so please contact one of the Board members and express your interest in serving your community.

Future Board and Member meetings:

Future meetings of the Board are as follows:

February 13, 2017
March 13, 2017 - Semiannual Member Meeting -tentative date
April 10, 2017
May 8, 2017
June 12, 2017
August 14, 2017
October 16, 2017 – Semiannual Member Meeting

All meetings are currently scheduled to begin at 6:30 at the Spring Valley Campus of CMC. Every homeowner is encouraged to attend. We are always interested in hearing ideas on how to improve Elk Springs and welcome your comments and suggestions.

Your Board –

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