

Elk Springs Homeowners Association, Inc.

Minutes of the Annual HOA Members Meeting and Board of Director Meeting

November 14, 2016

The Elk Springs Homeowners Annual Meeting and the Board of Directors Meeting were held on November 14, 2016 in the Recker Room of the Spring Valley campus of Colorado Mountain College. The Agenda for the meeting, that was distributed in advance of the meeting, is attached to and made a part of these meeting minutes.

Bob Sweikert, President called the meeting to order at 7:00 pm. Messrs. Sweikert, Carl Ciani, Ron Kroesen and Dewane Pace and Ms. Susan Rhea, constituting all of the members of the Board of Directors were in attendance. The minutes of the preceding Annual HOA Members Meeting were previously approved by the Board of Directors. Mr. Sweikert conducted a roll call of the Members present and entitled to vote for the election of five Board of Director positions. The six candidates for the five Board of Director positions (Will Vannice, Mary Beth Minion, Georgia Boyd, Brandon Watson, Gary McElwee and Evelyn Cole) introduced themselves. Fleisher Property Management (“Fleisher”) distributed ballots to the Members in attendance. In accordance with the Association’s Articles of Incorporation, cumulative voting was permitted in the election of the Directors.

Bob Johnson, Cam Murray and Doretta Reuss with Fleisher inspected and verified the meeting proxies and counted the ballots received at the meeting. Mr. Johnson announced that a quorum was present, either by proxy or in person. Based on the results of the vote of the Members of the Elk Springs Homeowners Association, the following individuals were elected to the Board of Directors:

- Georgia Boyd
- Evelyn Cole
- Gary McElwee
- Mary Beth Minion
- Brandon Watson

Mr. Sweikert concluded the Annual HOA Members Meeting with a thank you to the previous Board members for their efforts as well as progress made in the transition of the HOA to CCIOA compliance.

The newly elected Board of Directors met immediately following the Annual HOA Members Meeting. All members of the Board of Directors (Georgia Boyd, Evelyn Cole, Gary McElwee, Mary Beth Minion and Brandon Watson) were in attendance

The minutes of the October 25, 2016 Elk Springs HOA Board Meeting were presented. A motion was made and seconded to approve the minutes. The motion was approved.

RESOLVED, the minutes of the October 25, 2016 Elk Springs HOA Board Meeting are approved and entered into the Association records.

Reports:

Financial –

Fleisher presented the September 30, 2016 financial information. The current cash balances are as follows:

- Checking account \$35,804.55
- Reserve account \$419,281.75
- Construction deposit account \$81,905.17

The Board asked Fleisher to present more detailed financial information at future Board meetings including a balance sheet, income statement, and budget to actual analysis.

The 2017 Budget, previously submitted at the October 25, 2016 Elk Springs HOA Board Meeting was discussed. A motion was made and seconded to approve the 2017 Budget, subject to further review of the budget amounts for management and legal fees by the new Board. The motion was approved.

RESOLVED, the 2017 Budget for the Elk Springs HOA is approved subject to further review of the budget amounts for management and legal fees.

Water –

A discussion of the Water Financial Reserve Report , presented at the October 25, 2016, was raised by the Members. As documented in the minutes of the October 25, 2016 Board of Directors meeting, the analysis included a recommendation to improve the financial condition of the water reserve over the next 5 – 10 years. It was noted that both Auburn Ridge and Pinyon Mesa revenue contribution is lower compared to Elk Springs Members. The Pinyon Mesa contract terms are required to be honored until 2023. However, the contract with Auburn Ridge has expired and negotiations for a new water delivery and rate contract are in progress. The 2017 Budget proposal includes a 1% increase, effective 1/1/2017, in Elk Springs water rates, consistent with the change in the Consumer Price Index.

In addition, the HOA has a need to increase its reserves to have additional funds for significant repairs/replacement of it water assets. The HOA's governing documents include provision for an equity interest fee chargeable to all property owners and, as documented in the October 25, 2016 minutes of the Board of Directors meeting, a fee of \$150/year, billable semi-annually was proposed. Mr. Sweikert, indicated that this increase will help minimize a risk for a special assessment in the future. The new Board will defer approval of the rate increase pending further review of the Reserve Report.

Architectural Review Committee –

There are approximately 18 projects under review, with ten being new construction.

Rules Committee –

No report.

Global Transition to Owner Control and full CCIOA compliance -

The Global Transition Agreement (the “GTA”) was signed by Elk Springs LLC (the “Developer”) as well as the Elk Springs HOA Board of Directors on October 26, 2016. As required by the GTA, a draft of the amended and restated Declaration of Covenants, Conditions and Restrictions (the “Declaration”) is required to be submitted to Elk Springs LLC no later than December 26, 2016. The GTA requires ratification by the majority of the non-developer HOA Members and the restated Declaration requires approval of 80% of the HOA Members, including Developer votes, no later than May 8, 2017.

Water Spare Parts Assets Bill of Sale –

These assets have been conveyed to the HOA.

Winter Maintenance –

The current year snow plow arrangement is with Sacred Ground. The Members raised discussion regarding laying down cross country ski tracks.

Fire Box –

Due to the recent fire in the area, one owner asked that fire boxes be put back on Pinion Point.

Executive Session

The Board met in Executive Session with Amanda Maurer, General Counsel for the HOA and representatives of Fleisher. The Board received an update on outstanding Owner claims and disputes. The Board also discussed roles and responsibilities and voted the following as officers of the Association :

- Evelyn Cole, President
- Gary McElwee, Vice President
- Brandon Watson, Secretary
- Georgia Boyd, Treasurer

The Board also formed an Executive Committee to be headed by Mary Beth Minion to coordinate the drafting of the new Declaration and other governing documents required by the transition to CCIOA compliance.

The Board adjourned from Executive Session to discuss committee membership of the Architectural Review Committee (“ARC”) and the Rules Committee. A motion was made and seconded to approve the following resolution:

RESOLVED, that the following individuals are hereby appointed to serve on the Architectural Review Committee of the Elk Springs Homeowners Association for terms as specified in the Amended and Restated Bylaws of the Elk Springs Homeowners Association:

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

RESOLVED, that the following individuals are hereby appointed to serve on the Rules Committee of the Elk Springs Homeowners Association in accordance with the terms specified in the Elk Springs Homeowners Association, Inc. Amended and Restated Covenant Enforcement Rules and Regulations, Hearing Procedures and Schedule of Fines:

- Bruce Cole
- Rory Millard
- Brandon Watson

Finally the Board adopted and approved by following:

WHEREAS, the Elk Springs Homeowners Association, Inc., a Colorado nonprofit corporation, maintains the following accounts at the following institutions to pay operating expenses and clear debts:

- ANB Bank, Glenwood Springs, Colorado Business Money Management Account
- Bank of Colorado, Glenwood Springs, Colorado Operating/Corporate Business Account
- Bank of Colorado, Glenwood Springs, Colorado Construction/Corporate Business Account

RESOLVED, the Board of Directors hereby designates and authorizes those individuals in the following positions to sign checks on behalf of the Elk Springs Homeowners Association, Inc., and maintain the above accounts as necessary:

- Evelyn Cole, President
- Georgia Boyd, Treasurer
- Robert Johnson, Fleisher Real Estate/Property Manager
- Kristina Brooks-Olk, Fleisher Real Estate/Property Manager

The meeting was adjourned at 10:05 pm.

I certify that the foregoing is a true and current copy of the minutes approved by the Board of Directors.

/s/ Brandon Watson

11/14/16

Brandon Watson, Secretary

Date