

## Draft

### ELKSTONE HOMEOWNERS ASSOCIATION, INC.

#### Minutes of

#### Special Membership and Budget Meeting

September 8, 2011 3:00 p.m.

The special membership and budget meeting of the members of the Elkstone Homeowners Association was held on September 8, 2011, at the office of Tueller & Associates, P.C. 307 East Colorado Avenue Suite 201 in Telluride, Colorado.

#### 1. Roll Call, Determination of Quorum and Call to Order by Judi Balkind:

**Present in Person or on Teleconference:** Howard Schachat, Elk Lake Properties, Stephanie Fanos – council for Elk Lake Properties, Mark Kline – Elkstone 21 LLC (Units 8-29), Allison Templin representing Amy & David Janice (Unit #3), Michael Miller – Amegy Bank, Bruce & Barbie Ross (Unit 2), Tom Musselman (Unit 6), Joe Solomon – Council and authorized representative for Elizabeth and Nicholas Ball (Unit 1), Hillary and Jess (Buddy) Bell (Unit 4); Mark and Susan Blieden (Unit 5), Doug Tueller and Daniel Ryan council for Elkstone 21 LLC.

**Also Present:** Judi Balkind, Homeowner Association Manager.  
Judi Balkind announced a quorum was present.

**2. Election of Chair person and Secretary for purposes of the meeting:** Mark Kline made a motion to nominate Doug Tueller as the moderator of the meeting and Judi Balkind as secretary. Howard Schachat seconded the motion. All in favor and motion passed. Doug Tueller called the meeting to order at 3:10 p.m.

**3. Proof of notice of meeting.** Doug Tueller noted the notice of the meeting was emailed on August 26, 2011 providing the 10 days notice. Joe Solomon raised concerns regarding the proposed First Amendment to the Declaration both in terms of procedural and substantive issues. C.R.S sec 38-33.3-308 states in relevant part. .."Not less than ten ..days in advance.. shall cause notice to be hand delivered or sent prepaid by United States mail ...(2) of this section. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws ..... The notice of the meeting was not mailed as required and the Notice of Meeting failed to timely "include the general nature of the proposed amendment to the declaration by law. Joe stated that "we can discuss these proposed amendments generally but no vote may be taken on the documents at the meeting."

**4. Review/Discussion/Approval of the termination of the Declarant Control Period and review of the Declarant Turnover requirements, including the CCIOA – mandated audit, release of documents to the Association, etc:** Doug Tueller reviewed the CCIOA law regarding the turnover of Declarant control to the homeowners – the Declarant will provide all documents to the board. The board will decide the formal audit needed. Stephanie Fanos, attorney for Elk Lake Properties, LLC noted Elk Lake Properties, LLC will cooperate with the necessary procedures required in the turnover and payment for the audit .

**5. Notification/Review of status of Community and Review of Recorded Fourth Supplement to Declaration and Recorded Fifth Supplement to Map for the Elkstone Community:** The Fourth Supplement adds 22 units to the existing Elkstone Community, creates Elkstone 21 LCE's, creates

Elkstone 21 Wine Locker LCE's and the Fifth supplemental Map depicts and describes the Elkstone 21 units, LCEs, Wind Lockers LCE's and remaining General common elements.

Michael Miller noted to the members Amegy Bank will take title to the property. They have started a friendly foreclosure and the mechanism used to do this is through a receiver. The bank has appointed Wally Hultin who is a developer out of Denver and will represent the bank and have the authority to incur expenses. Mark Kline will remain on the property as the on site manager. It is in the Bank's interest to have the owners of Elkstone Owners Association 100% in line with the property. Bank wants to maximize it's value, and maintain the property and find out what it takes to maintain the integrity of the property.

**6. Review/Discussion of Association Financial Statements for 2010 and 2011, including Profit & Loss Statement, Accounts Receivable, Accounts Payable, and Balance Sheet;**

- a. Review/Discussion regarding Association Maintenance Issues, including resurfacing driveways, repairing lights, staining decks, cleaning windows, landscaping and gutter repair;
- b. Review/Discussion regarding Capital Reserve Study for Association
- c. Review/Discussion of Association Insurance Policies:

**7. Review/Discussion of the Elkstone Communities 2011 new Association Budget and possible re-allocation for Elkstone Townhomes and Elkstone 21 Units;**

Discussion ensued regarding the 2011 budget and re-allocation for Elkstone Townhomes and Elkstone 21 Units. Mark Kline made a motion of have a committee of Mark Kline, Mark Blieden and Judi Balkind to review and submit a revised 2011 budget from July 1 – Dec 31 2011 for Elkstone Townhomes, Elkstone 21 units and GCE and resubmitted to all owners. Allison Templin seconded and motion passed unanimously.

**8. Review/Discussion/Approval of Proposed First Amendment to Declaration and First Amendment to Map for the Elkstone Community, including:**

- a. Review/Discussion of Proposals for treatment of separate Community General Elements: and
- b. Review/Discussion of Proposals for Elkstone Townhomes and Elkstone 21 Limited Common Elements;

As noted previously, Joe Solomon raised concerns with the procedural issues relating to the amendments and suggested voting on these issues at the next meeting.

**9. Review/Discussion/Approval of Proposed Owner Resolution Regarding Future Amendments to Association Bylaws:** This will be presented to the board for review.

**10. Review/Discussion of Elkstone community 2012 Association Budgeting;**

When a new board is elected, the new board will discuss the 2012 Budget for the Elkstone community.

**14. Election of new Association Executive Board of Directors.** The board shall consist of 3 Directors – 2 Directors from Elkstone 21 Units and 1 Director from the Elkstone Townhome Units. Joe Solomon suggested soliciting candidates for the board. Mark Kline suggested Mitch Ely, Mark Blieden and Tom Musselman. The new Executive Board will be elected at the next meeting.

**15. Notification/Review of items to be addressed by Association Board of Directors;**

Minutes of Elkstone Owners Association, Inc.  
September 8, 2011

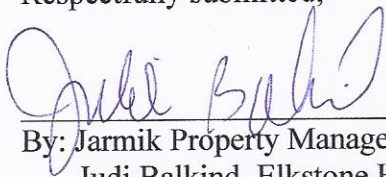
- a. Association 2011 and 2012 Budgets;
  - b. Association Bylaws;
  - c. Association Responsible Governance Policies;
  - d. Engagement of Association Manager;
  - e. Engagement of Association Tax Accountant; and
  - f. Engagement of Association Legal Counsel.
- These items will be addressed at the next meeting.

**16. Other and/or New business.**

Joe Solomon suggested holding another special meeting in three weeks on September 26, 2011.

**17. Adjournment of meeting.** Joe Solomon made a motion to adjourn the meeting. Tom Musselman seconded and motion passed unanimously.

Respectfully submitted,



By: Jarmik Property Manager  
Judi Balkind, Elkstone HOA Manager