

MINUTES FROM ELKSTONE OWNERS ASSOCIATION
BOARD MEETING – JUNE 18, 2013 (teleconference)

Nicole Pieterse 4:02 PM Called to Order:

1. Roll Call, the following people were present

- Board members – Lee Hooper, Dan Dockray
- Attorney – Nicole Pieterse
- Members – Elizabeth Barth – Townhouse #1, Laura Ries Elkstone 21 #205, Lauren & Jeff Harrison – Townhouse #4

2. Proof of Notice of Meeting or Waiver of Notice

- A ***motion*** to waive any insufficiencies of Notice was made by Lee Hooper seconded by Dan Dockray. There was no further discussion. Motion was approved unanimously.

3. New Business

a) Appointing a new board member to replace Nick Ball

- Nicole explained that Nick sold his townhome so is no longer able to serve on the board and his term would be up at the next Annual Meeting, to be held in the winter. The existing board members can appoint a person to fill the vacancy. Elizabeth Barth offered to fill the seat, which was motioned to be approved by Lee Hooper and seconded by Dan Dockray and approved unanimously.
- Nicole explained that the Board should also designate Officers for President, Treasurer, Secretary until the next Annual Meeting. Dan made a motion for Lee to remain as President, which was seconded by Elizabeth. Discussion ensued regarding the various officer roles and the possibilities of overlapping roles. Lee requested that Elizabeth consider serving as Secretary / Treasurer and offered resources from Sterling if she needed some assistance. Elizabeth said she'd be happy to accept and let the Board know if assistance is necessary. Questioned about minute taking and financials, and Nicole explained that Erin would provide those services.
- A ***motion*** was made by Lee to nominate Lee Hooper as President, Dan Dockray as Vice President and Elizabeth Barth as Secretary / Treasurer which was approved unanimously.

b) Approval of 2013 Budget and Dues – Review Elkstone 21, Townhome budget and GCE budget

- Discussion regarding the transition of accounting process and the need to consolidate records and finalize draft 2013 budget.
- A ***motion*** was made by Lee Hooper to continue this item to July 2nd at 4 pm which was seconded by Dan Dockray and unanimously approved.

c) Transfer of HOA accounting dues to Erin Neer

- Nicole mentioned that this was what was just discussed and asked for further discussion. No further discussion.

d) Update on Odor Problem

- Lee Hooper explained that they have been working on this issue for several months and finally have movement on it today. There is an engineering firm that has handled this throughout Colorado with 100% success rate. The delay issue was that the solution requires an easement which has taken time to obtain. The solution is to take the groundwater at the end of Elkstone 21, capture the water, seal it all the way back, bury the pipe, run it down underground to the most immediate location and into and beneath the surface of Elk Pond. What is happening is there is a naturally occurring (harmless) bacteria, gets its energy by oxidizing iron molecules or metabolizing iron (like a rust) with a byproduct of this reaction being the odor that we smell. There are other ways to eliminate that contact, and the best way is to introduce it to the water in the pond. This will eliminate the ability for the bacteria to give off the odor and a natural piece of sediment will then go to the bottom of the pond which would take a thousand years to produce any sediment accumulation. Today they have finally been able to speak to the right person required to sign the easement, which is signed by Elkstone parties already and only requires this one signature and Town approval to move forward with the work. Nicole mentioned that Sterling has been working as hard as they could on this process and Lee expanded on the details of the delays that were encountered over the past year as they tried to solve the problem.

e) Installation of snowmelt system in main driveway – Agreement from 4 HOA's to pay for cost of the system

- Sterling will be paying for the system which is estimated to cost \$200,000. The ongoing operating costs still need to be determined and will be brought to the Board for consideration. They still need to get this permitted with the Town, and have some items to work through with the adjacent HOAs as well. Ideally, they would like to get the work done this summer, the permit application is ready to go. Assuming they receive the permit soon enough, we will hopefully have a safe drive up the hill this winter.

f) Other Items

- Lee raised the issue that Judi was also the manager of the physical premises for the townhomes and since she has declined to continue that role, the Board needs to discuss that replacement. Nicole mentioned that she wanted to get more details on what specific tasks / functions that need to be replaced so that they could get bids from companies who could provide the service. What Lee is most concerned about whether Dan could perform this service for the Townhomes in addition to Elkstone 21, because they have done an excellent job. The arrangement with Elkstone 21 is quite different than the Townhomes since he is the listing agent and was responsible for taking it “out of hibernation” and to be on site to coordinate all the work. Lee mentioned that since Dan is a board member it may be a conflict of interest. Sterling is continuing to pay Dan and our own HOA units through end of year and have Dan on site and has 2 top notch guys there, one of whom is an engineer on site. This is one of the reasons I suggested Dan, without putting it out to bid. Lee’s thought is that the majority of the fee paid to Judi was for financial vs. managers. Would be totally open to getting bids from other managers. Nicole explained that Dan would need to recuse from any decision, and if the fee was significant a proposal or bid would be wise. Nicole wondered whether Judi had been coordinating maintenance as well. Dan explained that Judi has coordinated snow removal, landscaping providers, etc. Dan said that he would be fine to help coordinate it, but that they are plenty busy and would also be happy to get other bids. Elizabeth stated that she thought Dan would be great, but that it would be prudent to get other proposals. Thinks Dan would be great given that he is already there and has the attention to detail necessary. Nicole commented on the timing for property managers given the July 4th holiday coming up and asked Dan to continue to handle it until they decide what to put out to bid. Elizabeth asked Lee whether they could not vote to have Dan do it in the interim and then get a proposal in the future as an alternative. Lee agreed that perhaps a temporary arrangement might be best. Dan asked Erin to provide a vendor list to Dan so he can coordinate with the vendors. Nicole mentioned that she would follow up with Judi in terms of getting a list of her prior services together and the Board agreed that they would pay her for her time in gathering information for the transition. Lee mentioned that they would need to talk about the fact that we would need to determine a pay level for Dan given that he is already on site in terms of efficiencies. Dan stated that he would be happy to submit a bid which would help the process and then continue to use Judi’s vendors. The main issue is whether the contracts are paid up, i.e. landscaping for the summer. Nicole commented that the copies of contracts and records are something that is necessary. Lee suggested we push this issue out to July 2nd and ask Dan to cover it in the meantime with a retroactive compensation for this time. Then asked Dan to also submit a bid. Elizabeth agreed that this was a reasonable plan. Nicole proposed that they appoint him as an interim property manager until other bids can be secured & reviewed.

- Elizabeth made a ***motion*** to appoint Dan Dockray, Elite Management, LLC as an interim property manager for the Townhomes. Motion was seconded by Lee Hooper and passed unanimously. Dan recused himself from the action.
- **Questions / Comments from Members**
 - Jeff Harrison from Elkstone #4. The comment – to Dan – I hope that your submitted bid is reasonable to increase the chances of the Board accepting it. You have done an excellent job in keeping Elkstone 21 running well and I would welcome you caring for the other properties such as mine. When we talk about a capital expense like the snowmelt, how does the ongoing cost get allocated?
 - Lee stated that the cost was determined by dividing by 29 units (21 + 7 homes + caretaker unit). The drive is also shared with Trail's Edge which creates a 58% sharing for Elkstone and 42% for Trail's Edge for the paved portion of Elkstone Place, up to the junction to Trail's Edge Lane. The remainder of Elkstone 21 would be shared amongst the remaining 29 units.
 - Jeff Harrison from Elkstone #4 stated that he understood the services to be provided by the HOA for the townhomes to include exterior items such as powerwashing, deck staining, etc. and asked whether these would continue.
 - Lee Hooper stated that it is his understanding that the exterior services of the Townhomes are to be determined by the owners of the Townhomes. He further commented that he understood that the Townhomes, per the documents are to be decided by the Townhomes. And on the entire lot (600B), there are three different cost centers – General Common Elements, Townhomes and Elkstone 21. The exterior to each of those units would be determined by the manager with the owners of those units. Nicole agreed that the budget is really split into these 3 cost centers and for everything within the Townhome area that is not defined as a unit (exteriors, landscaping, decks etc.) that is all part of the Limited Common Element budget for the Townhomes. Nicole further stated that it is the HOA's responsibility to maintain all of those elements and incorporate those into the budget. So the budget will be approved after July 2nd and then the Townhome owners can add something or veto the Townhome aspect of the budget after the Board adoption. Lee commented that as a Townhome owner, he would really

view Elizabeth as the opportunity to take the lead on getting their input for the budget.

- Jeff Harrison further asked about how to proceed if he notices something that needs to be done, which is the case on the decks. Nicole explained that the process would be to let the manager know. Dan stated that he could get a bid on the exteriors of the Townhomes and make an evaluation of when they need staining, cleaning or replacement. Nicole also explained that if something cannot be handled in the budget, the Townhomes could also choose to do a Special Assessment for something outside the budget. Elizabeth asked for clarification on whether an owner stained their own deck, whether they could become exempt from the assessment.
- Laura Ries wanted to echo what Jeff said about the job that Dan does and would like to keep him involved in the property. Laura also explained her husband's credentials as a water engineer and PhD and will be in town next week and available if they want him to look at the report on the odor issue.

4. Adjournment - Elizabeth made a ***motion*** to adjourn at 4:59, which was seconded by Dan Dockray and unanimously approved.

APPROVED THE 2nd DAY OF July, 2013.

ATTEST:

Elizabeth Barth, Secretary