

**ELKSTONE OWNERS ASSOCIATION, INC.
MEETING OF MEMBERS AND DIRECTORS**

MINUTES

Date: **Monday, November 11, 2013 at 2:30 P.M. (MT)**

Location: by teleconference **CALL IN NUMBER 1 (619) 326-2772 / PASSCODE 882-9882**

- 1) Roll Call
 - a) Board Members: Elizabeth Barth, Lee Hooper, Dan Dockray
 - b) Members: Steve Wagner, Lauren Harrison
 - c) Other: Erin Neer

- 2) Proof of notice of meeting and waiver of notice
 - a) Notice was transmitted electronically to the members on 11/4/2013 at 11:05 AM.

- 3) Review and Approval of the Minutes of the July 2, 2013 special board meeting minutes
 - a) Lee made a motion to approve the minutes 2nd by Nicole.

- 4) Review of 3rd quarter financials and discussion of 2014 draft budget items
 - a) Discussion of financial statements and budget policies for 2014 included:
 - i) Lee Hooper commented that in future years we should be sure to account for budgeted expenditures on a monthly basis rather than annually. Erin Neer, of SweetBooks agreed that this is a much better practice and will be available in 2014 now that proper accounting is in place for 2013.
 - ii) Discussion of major expenditures included the following:
 - (1) New air conditioner for Elkstone 21 (\$6,000)
 - (2) Drainage expenditures for Townhomes (cost to be determined, special assessment in 2014 for Townhome, work to be completed in May)
 - (3) Townhome Landscaping for Townhome (cost to be determined, to be paid via either reserves paid by prior owners or via special assessment in 2014. Due to timing of completion of the drainage and landscaping planning, will be discussed in March of 2014 and work commencement in May / June of 2014)
 - (4) Entrance improvements (cost and project scope to be determined based upon completion of snowmelt and drainage for townhomes)
 - iii) Elizabeth Barth questioned why the Townhome Special Assessments was less than the expenditure. Erin Neer explained that this was due to one unit (#6) not being invoiced yet due to some open items. Elizabeth also asked about the Utilities cost under GCE of \$2,808 and Insurance of \$4,538 since these were significant budget variances. Erin confirmed that SweetBooks would research whether these should have been booked to a different Cost Center rather than to GCE. Elizabeth asked about the Snowmelt cost in the GCE as well. Dan explained that there was a leak in the

current snowmelt system, so the costs could be related to the leaks in the current system vs. the new snowmelt system that Sterling is completing. SweetBooks will send details to Dan & Lee for confirmation. Elizabeth asked that we also look at allocation of accounting services between E21 and Townhome, and also mentioned that we should look at insurance on E21 as they appear to be well below budget. Elizabeth also requested that we budget some maintenance for the ant problem behind the townhomes. Lauren Harrison also expressed strong support for addressing that problem.

- iv) Erin posed a question for guidance on assessment levels for 2014. Dan commented that over the long term we are still trying to work on a major repair and replacement plan for each cost center that will assist us in ensuring that the reserve assessments of 10% of total budget are adequate for these needs into the future. Lee agreed that it is somewhat difficult to come up with an appropriate number until finances and projects have stabilized for the long-term outlook. Elizabeth agreed that we should maintain assessments at their current level as well.
 - b) Discussed next budget meeting and initial 2014 budget presentation to the Board for initial review on December 3rd at 2:30 pm.
 - c) Discussed the outstanding balance from the previous owner of Townhome Unit 1. Board directed SweetBooks to try to ascertain the details of the balance due from the prior accounting firm or title company again.
- 5) Update on discussion with TSG to access pond
- a) Lee Hooper explained that the proposed easement agreement negotiated with TSG has been presented to Nicole, Dan & Elizabeth. Lee is going to follow up to Elizabeth's questions regarding what Sterling is agreeing to incur via e-mail. Essentially, Sterling is agreeing to certain requirements, many of which come into play only if the solution does not work, and also all costs to implement the solution, including the permitting process. Elizabeth raised the issue regarding the fact that the "infrastructure" primarily comprised of plastic pipes that if the site were ever developed by Elk Lakes, that Sterling should consider including a provision for heavy equipment use over the area. There was further discussion of the Army Corps of Engineers permitting process & renewals.
- 6) Other business
- a) Lee brought up the issue that Sterling Capital is going to turn some property over to Elkstone Owners Association in the form of Limited Common Elements. These items are not Sterling items, they are limited common elements including furnishings, that Elite Management has been inventorying, and the wood burning fireplace permit, Unit 29 (concierge unit, which involves a deed restriction item), etc. There are also some other incidental items as well. Final documentation is underway with Tueller & Associates and anticipate the documentation to be completed and provided to the Board within another week.
 - b) Dan raised the issue of the trespassing. He explained that the 2 homes behind Elkstone 21 are using the Elkstone 21 path, road, and potentially ski access which are Limited Common Elements of Elkstone 21. Lee explained that they are not sure how to stop the situation, but that they do not want to condone the process. Board briefly discussed solutions, including keeping the trespass posting signs. Agreed that they should discuss with Nicole to get some guidance. Nicole rejoined the meeting and told the Board

that she had sent an email regarding this issue.

- c) Lauren Harrison asked whether the Board had any information about the potential changes to the split road by the Elkstone property. Dan explained what has been presented at the meetings thus far and the Board agreed that they should remain involved as property owners. Nicole joined the meeting and disclosed that TMVOA had approached another client of hers regarding the property, and Nicole and Dan both provided more information regarding the information available so far, which is for a re-zoning not necessarily for a particular applicant. Dan further explained that Elkstone owners can participate and stay informed in the process by signing up for information on the Town of Mountain Village website and be involved and provide input. Lauren asked how close the parcels that are looking to be developed are to Elkstone. Nicole responded that the Science Center has been approached about the site in between the parking structure and the fire department. Nicole encouraged Elkstone to get their position on record as soon as possible so the Town can accommodate and plan for that perspective. Lee commented that he is not sure Elkstone has a position at this point, but any development needs to be appropriate for the immediate neighborhood, and that area is different than the Core. Nicole encouraged us to try to get member feedback regarding whether there is a certain buffer with the road that would be acceptable, etc. Lee agreed that getting feedback would be important, and also to coordinate with Trail's Edge to ascertain their perspective itself. Dan reiterated that he e-mailed the link to everyone to sign up with Mountain Village so that the members can direct the Board to take a position for the Association. Nicole stated that if the members are not actively involved, the Board can reach out the members actively as well.

7) Adjourn

- a) Lee made a motion to adjourn the meeting at 4:06 PM which was seconded by Elizabeth.

The foregoing minutes of the November 11, 2013 Elkstone Owners' Association Board Meeting were APPROVED the 4th, day of December, 2013.

ATTEST:

Elizabeth Barth, Secretary