

ELK STREAM RANCH PROPERTY OWNERS ASSOCIATION

ANNUAL MEETING OF THE MEMBERSHIP

August 13, 2016

The Annual Meeting of the Elk Stream Ranch Property Owners Association (ESRPOA) was held at the home of Philip and Linda Walters, 6137 Road 46, Mancos. Alan Scott, Vice President, called the meeting to order at 1:32 pm MDT.

ESRPOA lots were represented either in person or by proxy as follows:

- Lot 1: Stone by proxy
- Lot 2: Bates by proxy
- Lot 3: Redies by proxy
- Lot 4: Louise Lawson in person
- Lot 5: Bradshaw by proxy
- Lot 6: Shelburne by proxy
- Lot 7: Stein by proxy
- Lot 8: Keyes by proxy
- Lot 9: Stein by proxy
- Lot 10: Kieffer-Schamaun by proxy
- Lot 12: Kieffer-Schamaun by proxy
- Lot 14: Alan Scott and Anne Meininger in person
- Lot 15: Powell by proxy
- Lot 16: Donaldson by proxy
- Lot 17: Villano/Groll by proxy
- Lot 19: Ken and Pam Surabian in person
- Lot 20: Philip and Linda Walters in person
- Lot 21: Charles and Liz Bellows in person
- Lot 23: Gem and Steve Boone in person
- Lot 24: Steve Peters and Maddy Butcher in person
- Lot 25: Tom and Sue Ann Olson in person
- Lot 26: Paul and Colleen Czaplicki in person
- Lot 27: Smith/Okeefe by proxy
- Lot 28: Baker by proxy
- Lot 30: George by proxy
- Lot 31: Feingold by proxy
- Lot 32: Willsey by proxy
- Lot 33: Willsey by proxy
- Lot 34: Christensen and Lucas by proxy
- Lot 35: Christensen and Lucas by proxy

Thirty of the ESRPOA's 35 lots were represented by proxy or in person, or 85.7 percent of all lots, thus providing a Quorum. ESRPOA Bylaws define a Quorum as 20 percent or seven lots.

Steve Villano, President and Treasurer, attended the meeting via conference call.

New members Steve Peters and Maddy Butcher (Lot 24) and Charles and Liz Bellows (Lot 21) were introduced. It was noted that Andrew and Claudia Stein are also new members but are out of town.

Sadly one of our members died this past year. Patricia Kieffer Schamaun, Lots 10 and 12, passed away October 16, 2015. Her husband, Greg, preceded her in death.

2015 Annual Meeting Minutes

The Members present unanimously waived the reading of the 2015 Annual Meeting minutes and the minutes were accepted as presented.

ESRPOA Citizens of the Year

This year the Board of Directors acknowledged the ESRPOA members who volunteer serving on ESRPOA Committees, as Firewise Ambassadors, and in various roles and capacities such as Odin Christensen serving for many years as Assistant Treasurer, and he and Phyllis Lucas continuing to diligently spray weeds in the south end of the Canyon. Special thanks to each of these volunteers as the 2015-2016 ESRPOA Citizens of the Year.

Treasurer's Report: In the absence of Odin Christensen, Alan Scott presented the ESRPOA Association Year 2015-2016 Annual Financial Summary prepared by Odie (See Attachment A.) Dues and Reserve assessments for 2015-2016 were received in full for all Lots. All sources of income exceeded Budget and Total Expenses were below budget. The overall Net Change in ESRPOA cash assets from August 1, 2015 to August 1, 2016 was \$26,925.78.

The 2015-2016 planned capital (road) improvements and repairs of \$27,700 were not completed because the road contractor experienced equipment problems. The monies, which account for the above mentioned surplus, are being moved to the 2016-2017 budgets and the projects will be completed as soon as the contractor's equipment is repaired.

Design Review Committee (DRC) Report: The 2015-2016 DRC Committee included Philip Walters as Chair, Steve Villano, and Steve Boone. Philip's DRC report is included as Attachment B.

Philip highlighted the following DRC projects:

August 10, 2015. Linda and Philip Walters submitted a plan to hardscape an area behind and adjacent to their house. The project was approved and completed.

February 25, 2016. Steve Villano and Chris Groll proposed their project to add-on to their existing house on Lot 17 and extend their driveway to a new garage entrance. Their application was approved and is complete.

April 3, 2016. Maddy Butcher and Steve Peters, Lot 24, requested a permit to replace and rebuild fencing. Their application was approved and the project completed.

April 17, 2016. Tom and Sue Ann Olson, Lot 25, submitted a request to alter their building envelope so they could build a detached garage. The project was approved and is in progress.

August 8, 2016. New members Andrew and Claudia Stein, Lots 7 and 9, submitted their application to simultaneously build a two-story log home and a barn with full perimeter fencing of their Lots. The project is in the review process.

At the end of Philip's report, he reminded members of what is a reviewable project requiring a DRC permit and advised members of the review process. Additional information regarding the DRC's approval requirements is posted on the ESRPOA website, www.elkstreamranch.org.

Property Management Committee (PMC): This past year the PMC members included Steve Boone, Chairman, Odin Christensen, Philip Walters, and Ken Surabian. The PMC's written report, presented by Steve Boone, is included as Attachment C. Noted items include:

An explanation of our snow removal guidelines and who to inform if you plan to visit during the snowy season.

An overview of planned road repair and maintenance projects.

A summary of events leading up to the May 6th collapse of the overhead gate which held up the sign announcing the entrance to Elk Stream Ranch. The first priority of the PMC this fall is to research and consider options for replacing the gate.

Acknowledgement of the hard work that Odin Christensen and Phyllis Lucas provide the Association, without compensation, spraying weeds in the south end of the Canyon. Steve reminded owners that there is an available cost-share program for weed/mitigation of areas that benefit the community.

The Association grazed 50-60 mother/yearlings in the Canyon this year. The former sheep/goat grazer did not respond to Steve's inquiry phone calls.

Prairie dogs have been spotted again in the mid section of the Canyon. Efforts are underway to eliminate them as soon as possible to prevent an infestation.

If prairie dogs are spotted, please advise the PMC immediately. Since elimination typically requires shooting the prairie dogs, the BOD was asked to address this matter in terms of Association rules and practical guidelines, and perhaps neighborhood communications.

Firewise Report

Linda Walters presented the Firewise Report. Beside herself, Firewise Ambassadors include Gem Boone, Ken and Pam Surabian, and Odin Christensen. Jeff Schaeffer of Elk Springs Ranch is also a Firewise Ambassador.

This past year, due in part to the past efforts of Philip Walters in developing our CWPP (Community Wildfire Protection Plan), adopted in 2008, and combined with the ongoing efforts and activities of the ESRPOA's Firewise Ambassadors in implementing the plan and attending meetings with the Montezuma County Firewise Coordinator, etc., the ESRPOA received national and State recognition. The Wildfire Mitigation Innovation Award 2016 was given to the Elk Springs and Elk Stream Ranch Neighborhood Firewise Ambassadors this past February. It is one of three awards to SW Colorado groups; one of six statewide awards; and one of 12 awards given nationally in recognition of the fire mitigation efforts of the awardees. This is a significant recognition of our past and current Firewise Ambassadors' excellent work and received the applause of all present. The CWPP plan is available on the www.elkstreamranch.org website.

Linda's report is included as Attachment D.

Website Overview

Alan Scott, Webmaster, reminded members that the ESRPOA website www.elkstreamranch.org includes copies of the Association's governing documents, a listing of Design Review projects, and the names and contact information of Board members and Committee chairs. Also posted on the website are announcements of upcoming Board of Director meetings, which are open to members, as well as the minutes of Board meetings. Additional information includes the Community Wildfire Protection Plan (CWPP) and Design Review Committee (DRC) project submission guidelines.

NEW BUSINESS

2016-2017 Budget: On behalf of Steve Villano, Treasurer, Alan Scott presented the ESRPOA 2016-2017 Budget which was adopted by the Board of Directors on June 29, 2016. (See Attachment E.) In developing the 2016-2017 Budget, the BOD included the input of the Property Management Committee (PMC).

The first item noted was an explanation of the approximately \$27,000 surplus cash on hand in the ESRPOA bank accounts as of the start of the new fiscal year. The Association's road contractor, Cecil Thurman, had a major equipment breakdown this past spring requiring a national search for parts for his elderly road grader. This resulted in the postponement of planned roadwork which will hopefully be completed this coming fall. The surplus cash will disappear once the planned and approved roadwork is complete and invoices paid.

The 2016-17 Operating Budget is based largely on the past year experience. In order to cover the projected expenses for the 2016-17 fiscal year, the Board determined that the 2016-2017 regular dues assessment will be \$1,800 per Lot.

To maintain a balance of \$30,000 to \$40,000 in the 2016-2017 Capital Reserve Account a Road Reserve Assessment of \$200 per Lot was approved. Not yet determined nor addressed in the Capital Budget is the possible replacement of the collapsed overhead entrance gate to the Elk Stream Ranch. The PMC will consider options for replacing this signage gate this coming year.

The Budget adopted by the Board is deemed ratified unless 67 percent of the Members reject the adopted Budget. Alan Scott called the question of whether anyone wished to move to reject the Board's adopted Budgets. There were no motions to reject; therefore, the 2016-17 Budget was deemed ratified as presented.

Amendments to Bylaws and Covenants, Conditions and Restrictions

This past year, the Board reviewed our Bylaws and Covenants to identify and correct several inconsistencies in terminology such as "fiscal" versus "budget" versus "calendar" year as well as to clarify our Assessment Period. The Board considered the proposed changes "housekeeping" in nature. A copy of the proposed amendments to the Covenants and Bylaws is included as Attachment F.

In sum the Amendments:

- State that our Fiscal Year is August 1 to July 31. References to calendar year are changed to fiscal year as appropriate.
- Clarify in our Covenants that our Assessment period coincides with our Fiscal Year.
- Amend the Bylaws to delete the provision that our "ratified" Budget be distributed not less than 60 days before the beginning of our Fiscal Year on August 1. This is not feasible given our Fiscal Year begins August 1 and our Annual Meetings are held during the first two weeks of August. While our next year's Budget is adopted by the Board typically before August 1, it is subject to being rejected by 67 percent of the Members at the upcoming Annual Meeting. (Members will still receive the Adopted Budget in their Annual Meeting notices, which are sent out at least 30 days before the Annual Meeting, and they will receive copies of the ratified Budget in their annual fall mailing.)

To adopt the proposed Amendments to the Covenants, an affirmative vote of two-thirds of the Membership is required. Alan Scott asked if anyone wanted a secret ballot. When it was deemed that a secret ballot was not required, Philip Walters moved to approve the proposed Amendments to the Covenants as presented. Steve Boone seconded the motion. A vote was taken with 26 members or 74.3 percent of the Membership approving the Amendments. (Changes to ESRPOA Covenants require two-thirds, or 67 percent, of the 35 members' approval.)

In order to complete the execution of the recommended corrections, several amendments to the Bylaws are also needed. The proposed Amendments to the Bylaws require an affirmative vote of the majority of the Members attending the Annual Meeting. Alan Scott requested a motion to approve the proposed Bylaw Amendments. Steve Boone motioned to approve the Amendments and Philip Walters seconded the Motion. Members present voted 26 to 0 approving the Bylaw Amendments.

The Board of Directors will incorporate the approved Amendments into our documents.

Election of Board Director: Tom Olson was nominated by the Board of Directors to fill the Director seat being vacated by outgoing Director, Louise Lawson. Alan Scott asked if there were any other nominations for the vacancy. There were none. Philip Walters moved to close the nominations and Steve Boone seconded the motion. Tom Olsen was unanimously elected to the Board of Directors by a vote of 26-0.

OTHER NEW BUSINESS

ESRPOA Files

Philip Walters is housecleaning and looking for a new home for the Association's files (and file cabinet). As the DRC Chairperson he is willing to keep the DRC files. If anyone is willing to store the file cabinet, please contact Philip.

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The meeting adjourned at 4:20 pm MDT.

Respectfully submitted,
Louise Lawson, Secretary