

Eagles Nest Property Homeowners Association

P.O. Box 24419
Silverthorne, CO 80498

Board Meeting for Thursday, February 14, 2013

Meeting Minutes

Board of Directors – Attendance

Name	Present	Not Present (Proxy Given to if provided)
Brian Moriarty	X	
George Resseguie		X (Joanna Hopkins)
Dick Bochan	X	
Joanna Hopkins	X	
Pinki Faux	X	
John Taylor		X (Joanna Hopkins)
Peter Foley	Arrived at 3:20 PM	(Proxy to Brian prior to Peter's arrival)

All board members were present. Others in attendance were: John Ahlquist and Stuart Richardson of Eagles Management Services, the ENPHA management company and Nancy Keltner. It was recognized that the agenda was very full and everyone was requested to move things along as quickly as possible.

I. Call to Order

The meeting was called to order at 3:00 PM by Brian Moriarty.

II. Approval of Minutes

A. For January 10, 2013.

Motion: Pinki Faux moved and Dick Bochan seconded the motion to approve the Minutes for the Board's January 10, 2013 Meeting. The motion was approved.

B. For January 29, 2013.

Motion: Joanna Hopkins moved and Pinki Faux seconded the motion to approve the Minutes for the Board's Special January 20, 2013 Meeting. The motion was approved.

III. Board Motions Approved via e-mail or other means

No board motions were addressed since the last Board Meeting.

IV. Financial

A. Financial Report

Joanna covered the items included in George report that he forwarded to the Board while out of town. (See Attachment A)

- B. Financial Procedures – We skipped this item and then returned to it after Peter’s arrival (doing the DRC items out of turn). Peter presented the recommendations of the committee formed to review the financial procedures. The committee was initially comprised of George Resseguie, Pinki Faux and chaired by Peter Foley. Dick Bochan joined the committee’s last two meetings. The “Financial Rules” developed by this committee are in Attachment E to the minutes and were adopted as a result of:

Motion: Dick Bochan moved and Pinki Faux seconded the motion to adopt the Financial Rules as presented from this point forward (effective 2/14/2013). The motion passed.

The highlights of the Financial Rules were discussed and it was agreed that these Rules would be published on the website. It was also determined during the committee’s meetings, that a companion document should be structured to develop a set of contracting/procurement rules that would cover elements such as invoicing terms, liability insurance coverage to be held by the contractor, etc. Such a document would help assure that the ENPHA is not exposed to unnecessary risk or cost when doing business with a third party. That will be addressed at a later date.

- V. DRC Report – There was nothing to report in the way of a regular update

A. DRC Fees

The DRC has been discussing the fees that all property owners are charged by the DRC when undertaking work on their properties (new building or modifications to existing building). This is primarily driven by the cost of the DRC’s architect’s efforts involved in assuring work being undertaken conforms to the Decs and Covenants as well as the Building Guidelines. Since our architect’s contract with the DRC expired in February, efforts were made to establish a new rate schedule which allowed for the architect to make a modest profit while keeping costs to property owners equal to or less than other comparable HOA’s charge. Attachment D shows the handouts Pinki Faux (Chairperson of the DRC) used in discussing the matter with the Board. Bottom line, while the architect’s fees to the DRC will increase 67%, the DRC fees to property owners are

increasing only 50% (from \$2,000 to \$3,000). The DRC is empowered to make these decisions without Board action; the presentation to the board was for information only.

B. Second Home Owner Notification of Decs and Covenants Constraints on Modifications

Peggy Long will be publishing additional copies of the pamphlet that she hands out to new homeowners that she is informed of. Pinki will contact Peggy Long to make some modifications to address our interests so people are put on notice that changes to their houses, landscaping, grading, fire pits and all forms of property modification are subject to DRC rules and regulations and need to be discussed with the DRC before any action is taken along these lines.

VI. Current/New Business

A. Website – Although Rich was not at the meeting, he sent word that nearly all updates to the website have been completed. Pinki indicated that the fee structure reflected in the website is at least one version old and agreed to contact Rich to figure out how we can update the website with the least effort for everyone involved. (It might be easiest if an addendum is created to the document which sets forth the new rates as they are adopted).

B. Subassociation Requests for Money -

1. Peregrine Ridge

The request for monies from the Peregrine Ridge Sub Association that was previously submitted was discussed. The request is shown in Attachment F.

Motion: Brian Moved to fund the Peregrine Ridge Subassociation the lesser of \$500 or the amount incurred for drainage improvements under Stellar Drive (see attached request) subject to the following: Peregrine Ridge will be responsible for all future maintenance and all water and shrubbery needed for this undertaking . Peter seconded the motion. The motion passed.

2. Hideaway/Ranch

The Hideaway/Ranch subassociations requested assistance to help complete the playground project including sand, irrigation, plantings and painting of the playground equipment. Discussion of this item was

postponed until we hear back from these subassociations as to what they are prepared to fund and how much they are requesting us to chip in.

3. Ranch

The Ranch has verbally discussed their desire for us to assist in funding a sign for their subassociation, We are requesting their request to be In writing and submitted in time for the 3/14/2013 Board Meeting if possible.

4. Ponds

The Ponds believes some of the current street lighting in their subassociation needs to be replaced and improved. They have undertaken a significant project to remedy the situation and is requesting funding assistance to do so (as requested in their January 3, 2013 letter to us). Considering what we have or will approve for other subassociations, it was estimated that awarding \$2000 would exhaust the subassociation budget we approved in December. However, this undertaking requires DRC review and approval, which must be obtained prior to the start of the project. Joanna indicated that the Town's personnel came out and reviewed the plans and indicated their concurrence to proceed.

Motion: Dick Bochan moved that, subject to DRC approval, we award \$2000 to the Ponds Subassociation for the installation of lighting as requested in the January 3, 2013 letter, subject to the normal documentary evidence for such reimbursement of expense. Peter seconded the motion. The motion passed.

C. 2013 Membership Meeting on March 23rd

The full agenda for the Board Meeting did not allow for much discussion of this item during the meeting. Brian suggested that He, Dick and George sit down upon George's return to walk through what needs to be addressed and make appropriate assignments. Stuart agreed to make sure the Raven is available on the 23rd.

D. Front Entrance Plan/Irrigation Update

Joanna provided some materials to review ahead of time. They are included in Attachments G and H. Attachment G is a print out of a pdf file of the overall plan schematic. Attachment H is an excel spreadsheet exploring the cost of accelerating the project and doing the entire effort this year, plus, assuming responsibility for certain tasks rather than have them contracted out.

The discussion could not get into specific details since the people with the expertise to explain various choices (the Neils Lunceford design personnel) were not in attendance. Also, the agenda for the Board meeting did not allow for a full discussion that all interested Board members would want to have. Rather than rush to judgement one way or another, it was decided to hold a special Board meeting with Neils Lunceford's personnel in attendance to fully explore all the elements of the undertaking to enable a full understanding of what we are undertaking. The expectations are that either we will continue with the project along the lines Joanna was anticipating or find some ways to reduce costs, get more done or waterfall things more effectively.

Brian agreed to canvass the Board Members after they checked their calendars to set up a special Board Meeting as described above, as soon as possible.

E. Authority to Sign Contracts/Documents

Peter provided the excerpts from the ENPHA bylaws included in Attachment I. The two paragraphs introduce confusion as to how many Board members are mandated to sign various documents under what circumstances. As we were running out of time, Peter agreed to propose revisions to remedy the situation that he believes would not weaken the controls since the Board has to be involved in either situation.

VII. Managers' Reports

Compliance and Manager's Reports are included in Attachments B and C. No discussion was held on either of these reports.

VIII. Executive Session

(None Needed)

IX. Adjournment

Motion: Peter moved and Dick seconded that we adjourn the meeting. The motion was approved. The meeting was adjourned at 5:12 PM.

Date of Next Meeting: March 14, 2013 at 4:00 PM.

Submitted by:



Dick Bochan, Secretary

- Attachment A: George Resseguie's February Treasurer's Report
- Attachment B: Stuart Richardson's February 2013 Manager's Report
- Attachment C: John Ahlquist's January 2013 Compliance Report
- Attachment D: DRC Presentation, February 14, 2013
- Attachment E: Financial Rules Effective February 14, 2013
- Attachment F: Peregrine Ridge Request for Funds
- Attachment G: Front Entrance Landscape Project Schematic
- Attachment H: Excel Analysis of Accelerating the Project
- Attachment I: Excerpts from the ENPHA Bylaws

Attachment A

February Treasurer's Report
George Resseguie's

I will not be at the meeting and give my proxy to Joanna Hopkins. I will be out of town from 1/13 through 1/21; Joanna will handle check-signing in my absence.

Treasurer's Report

2013 Dues -- Dues have been received for 644 properties; significant progress compared to previous years. Ninety-five "first" past due notices were mailed to individuals last week. Some bulk billings are being followed up are not included in the past due notices.

January Statements -- Peggy has not finished the statements either for ENPHA Operating funds or the DRC. I will send a report to everyone when I return.

2012 Full Year Results -- We have some minor accounting actions that are required before the statements will be considered finished. Peggy will complete these and we will have final statements by the end of Feb. Completion has been delayed primarily because of payroll accounting workload and some family matters for Peggy in Denver.

George

Attachment B

February 2013 Managers Report
Stuart Richardson

Community Center

During January the Community Center was used for 10 events
Throughout the cold stretches I visited the Center during all cold spells to

ensure proper heater operations and cleared the sidewalks and steps as necessary. The Center held socials meetings and business events.

The scheduled Annual HOA Snow Shoe Party was rescheduled from January 23 to January 16th so as to not interfere with the Ravens Snow Shoe Party on the 22nd. I secured all of the food and drinks and arranged for the soup preparation. Signage was placed throughout Eagles Nest so I would anticipate 75+ people attending the social portion. It was decided to start the event earlier and delay the food delivery until 6 PM.

With Board Member John Taylor we met with the contractor to regrade the area to the rear of the Community Center to allow better drainage and provide greater clearance between the soil and the log wall of the Community Center. This project is scheduled to be completed by Mid May.

Open Spaces and Trails

No Activity

Golden Eagle Entrance

Continued to support Board Members in the planning and negotiations for the relandscaping of the South Golden Eagle Entrance. I met with the Towns Director of Community Development and explained the new design to him and asked if the Town had any concerns. He stated the Town had no concerns with the plans presented and encouraged the Board to proceed with the project. With respect to the design we have cut design details to fit into the proposed budget. This design and cost will be presented at the February Board Meeting for Board approval.

Miscellaneous Meetings

January 15- Business Meeting PD
 17- Mahjong session free
 26- Church Function snow shoe party free
 28- FOLBR meeting free
 31- Mahjong free

February 5 Design Review Meeting
7 Mahjong
12 Business Meeting Paid
13 FOLBR Meeting free
14 HOA Board Meeting
14 Mahjong

Attachment C

February Compliance Report 2013
John Ahlquist

- One outstanding trash can issue from January report was removed after a personal visit.
- The trash can at a rental property that has been a persistent problem since November seems to be currently under control after a third personal visit.
- A motor home parked at a property that was a short term rental was removed after a phone call to the property manager. He said that he was no aware of the prohibition and would see to it that it would not be a problem in the future.

John Ahlquist

Attachment D

DRC Presentation, February 14, 2013
Pinki Faux

The following are the handouts provided by Pinki to the Board to aid in the discussions of DRC Fees:

DRC Report

February 14, 2013

- Architectural Advisor Relationship and Charges for Services
- Changes in Fees to Homeowners (HO)

Background of Architectural Advisor Relationship

- Committee selected Mike Houx of BHH as Architectural Advisor
- Initial charge arrangement with him proved too costly.
 - Based on actual time incurred at standard rates.
 - Costs were well beyond our available revenues and reserves.
- We proposed a far lower fixed charge.
 - That charge was based primarily on our available revenues from HO fees.
- Houx agreed to the lower charge for remainder of annual contract.

Current State

- Contract with BHH was up for renewal Feb 9, 2013
- The lower fixed charges are resulting in a loss for BHH.
- BHH has asked for an increase in charges for services for the coming contract year
- The increased charges will cover a greater portion of their cost.

Analysis

- The DRC is extremely pleased with the quality of the Houx services
 - He is an experienced Architect
 - He has done a great job
 - He has extensive experience with other developments
 - He has been quite flexible in our dealings
 - He has respect of and works well with both architects and builders
 - BHH firm has great reputation
- We believe the proposed charges are reasonable in relation to the significant amount of services provided
- DRC does not want to do another search process

DRC Fees to HomeOwners

- Houx has recommended that we increase our HomeOwner DRC fees
- Our HomeOwner DRC Fees are well below those of other developments

Our Total HO Fees and related Architectural charges are currently broken down as follows:

	DRC Fees	Arch Charges
Concept	\$ 500 ^{New} 750	\$ 300 + 200
Preliminary	1,000 1500	600 + 400
Final	<u>500</u> 750	<u>300</u> + 200
Totals	2,000 ³⁰⁰⁰	1,200 + 800 = 2000

NEW FEE SCHEDULE ADJUSTMENTS

Fees at Other Developments	
Highlands at Breck	\$2,500 to 3,000
Timber Trail	\$4,000
Keystone	\$4,000
Shock Hill	\$4,500

5

Conclusions

- We believe the proposed BHH charges are reasonable in relation to our needs and the quality of service we have received
- The final amount remains to be negotiated.
- However, we will contract for a higher fixed charge in the new contract
- The DRC will increase our total fees to homeowners from \$2,000 to \$3,000 to bring them more in line with similar developments
- Any remainder of the HO fee will be available to cover other possible costs and to build needed reserves for legal costs and other contingencies

Financial Rules Effective February 14, 2013

The ENPHA will conduct all business in accordance with the following:

1 . Budgetary Coverage (applies to all items in sections 2 through 5)

1.1 Budgets will be approved annually by the Board of Directors in December on a line item basis for all revenue and expense accounts and all changes to reserve and other balance sheet accounts. Line items will be defined by the Treasurer. All line items (revenue and expense accounts and all changes to reserve and other balance sheet accounts) will be assigned an Account Manager (Owner). The Owners will recommend the budgeted amounts.

1.2 The Owners will facilitate all actions for their respective line items, including ensuring that all expenditures have sufficient budget authorization before work is begun, proposing written contracts, obtaining Board approval for necessary expenditures where there is no written contract (see further details in 2 below), providing feedback to the Board as needed regarding contractor performance, and approving all invoices for payment (except petty cash expenditures for which they will monitor such payments),

1.3 Owners may delegate their authority to another Board member. The delegee may approve invoices for payment. The Owner, however, remains accountable for all spending actions related to his/her line item(s).

1.4 Adjustments to an approved budget expense line item may be made by the Board at any time.

1.5 All anticipated overruns to individual line items must be reported by the Owner to the Treasurer. The Treasurer in turn must report all anticipated overruns to the Board for approval or disapproval.

2 Authorization to Spend

There are three mechanisms for authorizing an expenditure:

2.1 A Board Member can authorize (for accounts they own) an expenditure not to exceed \$250. This authorization can be delegated to another Board Member if they are asked to oversee the efforts related to the project.

2.2 Anything in excess of \$250 requires Board Approval. This can be obtained either by separately seeking Board approval (required if no contract is to be entered into), or, in concert with contract approval from the board since approval of the contract is tantamount to approval of the expenditure.

2.3 Utilizing authority vested in Board Members and Eagles Nest Management Services Company personnel to make Petty Cash Expenditures which is self approving for up to \$50.

3. Bids and Quotes

Any work performed for the ENPHA under one or more line items of an approved budget is to be undertaken only if the amount of the proposed project is less than the line item budget amount(s) and after the following is done:

3.1 For projects valued at \$1,000 but less than \$5,000 – at least one written quote from a supplier should be obtained, the overrun id offset in other accounts

3.2 For efforts/procurements valued at \$5000 or more – at least two written quotes from suppliers should be obtained, except that multiple quotes will not be needed for: (a) work to be performed under a contract with an Approved Supplier (see 3 below); or (b) when the Board determines by resolution that multiple quotes are unnecessary, in which case the rationale for the single source shall be documented in the resolution

3.3 Any proposed project amount that exceeds the budget line item amount must be approved by the Board before bids/quotes are requested (see 1.4 above).

3.4 The scope of a contract or purchase is not to be subdivided into parts for the purpose of circumventing these bid/quote limits.

4. Approved Suppliers

The Board, by resolution, may identify from time to time particular suppliers of goods or services as Approved Suppliers for specific work. These suppliers, for the scope of work specified, may be retained with without the need for competitive

bids/quotes. To become an Approved Supplier that person or entity should possess particular knowledge of the ENPHA, its members, and/or its procedures and have a prior record of excellent performance

5. Procedures for paying approved expenditures

5.1 Under \$50 – Petty Cash, no approvals required (monitored by Treasurer)

5.2 Over \$50 and up to \$1000 – By check, signed by the Treasurer (or his or her designee)

5.3 Over \$1000 – By check signed by the Treasurer (or his or her designee) and one additional Board member.

5.4 All invoices, regardless of amount, must be approved by the Owner or delegee before being submitted to the Treasure for payment. The invoices must be originals; no payments will be made based on statements or copies. Owner approval must be in writing.

5.5 All invoices will be paid within 30 days of receipt unless more favorable terms are offered.

6. The Design Review Committee

The DRC has traditionally handled the budgeting of income and expenses (including the payment of expenses from its own account) attributable to its operations independently of the Budget approved by the Board. This will continue, with the Treasurer having the ability and responsibility to review the income and expenses of the DRC.

6.1 If however, the DRC contemplates incurring obligations or contracts for which it will not, or may not, have the ability to pay out of its own funds, the DRC should seek approval from the Board before incurring such obligations or entering into such contracts.

6.2 Such obligations or contracts will then be subject to the procedures outlined in 1-5 above.

7. Emergencies

The Board realizes that situations occur when they are least likely expected. In the event a situation arises that is not anticipated, appropriate Board members cannot be contacted, and allowing the situation to continue unchecked will only aggravate the situation (perhaps at significant additional cost) it is expected that individual Board members can take action and commit to expend funds to remedy the situation. Generally this should be a stop gap measure with a minimal expenditure of funds. Any actions taken under this paragraph are to be reported to the Owner as well as the Board as soon as possible thereafter.

8. Revenue, Reserve and Balance Sheet accounts

8.1 Revenue accounts. The Treasurer will be the Account Owner for all of the revenue accounts.

8.2 Reserve Accounts. Annually, Account Owners will be assigned to the Reserve Accounts. Contributions to the reserve accounts and the required year-end account balances will be determined annually by the Account Owner and presented to the Board for approval in December of each year as part of the Annual Budget. The Board presentation will include a forecast for the contributions and expenditures to and from each reserve account and any other data needed to support the calculations involved (such as anticipated life of an asset, replacement cost, etc.).

8.3 Balance Sheet Accounts. The balance sheet accounts consist primarily of Cash and Fixed Assets, offset with Liabilities and a Fund Balance account. The accounts will be managed as follows: (A) Current Assets (Cash and other current assets) The Treasurer will be the Account Owner for all of the items in the Cash account and items, typically Accounts Receivable, in the Other Current Assets account. At the December Board meeting of each year, the Treasurer will review the investment options for the cash balances with the Board. Investments typically will be either in Money Market accounts or CDs. The Treasurer will take necessary actions to ensure that the funds are always invested with a focus on obtaining the highest interest rates possible. All items in the Current Asset account will be reconciled regularly to ensure timely clearance (i.e. accounts receivable are collected). (B) Fixed Assets. Annually, the Treasurer and the Director, Facilities will evaluate each of the fixed asset accounts and ensure the balances reflect current value. A report will be provided to the Board, typically by the end of the Third Quarter.

PEREGRINE RIDGE ASSOCIATION
REQUEST FOR LANDSCAPING IMPROVEMENT GRANT

November 20, 2012

To: Brian Moriarty, President.
Eagles Nest Property Homeowners Association.

From: Wes Adams, President.
Peregrine Ridge Association.

Re: Improvements to the Culvert Located Between 1805 and 1809 Stellar Drive.

We are requesting a grant from ENPHA for \$500.00 to clean up and landscape the culvert located between 1805 and 1809 Stellar Drive in the Peregrine Ridge Association, pictured below.

The project would include:

1. Remove pieces of concrete and trash debris.
2. Add cobble, as needed, below pipe outfall to reduce erosion.
3. Add topsoil / compost mix and fine grade.
4. Provide and distribute native seed, cover with straw mulch and tackifier.
5. Add one head to existing reveg zone (1805) to help grass seed germinate.

Attachment H – Available upon request from the Facilities Director

Selected Bylaw Excerpts

Section 4.5 PRESIDENT

The President shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He or she shall, when present, preside at all meetings of the members and of the Board of Directors. He or she may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.1 CONTRACTS

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.