

The Reserve on the Eagle River
Board Meeting Minutes
Monday, June 20, 2016, at 3:30 PM
The Reserve Clubhouse

BOARD MEMBERS PRESENT: Andrew Abraham, Deb Forsline, Linda Guerrette, Marilee Horan and Brian Woodell

BOARD MEMBERS NOT PRESENT: Jess Frieze

ALSO PRESENT: Dan McNeill, Managing Agent, Kerry Wallace, Legal Counsel, Steve Deraddo of Peliton Insurance, Alex Thrasher of McNeill Property Management and Sara Thurston McNeill, Secretary to the Meeting

HOMEOWNERS PRESENT: Marie Dowling, (Unit D-201), Chris Dudar (Unit E-102), Brian Forsline (Unit G-201), Joe Schmitt (Unit G-104) and Dan and Freeda Hanley (Unit I-103)

- I. Roll Call. With five of six Board members present, a quorum was established. Deb Forsline, President, called the meeting to order shortly after 6:30PM.

- II. Review and Approval of the Minutes of the May 16, 2016, Board of Directors Meeting. These minutes were drafted and circulated to all Board members for review via email prior to the meeting. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE MAY 16, 2016, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was seconded and carried unanimously.

- III. Homeowner Forum. Several homeowners were present to discuss issues related to the proposed Amended & Restated Declaration, specifically with regard to Section 4: Restrictions on Use. Concerns included smoking, parking, the future construction of sheds or garages and pool rules. Kerry Wallace, legal counsel answered questions posed of her, as did Steve DeRaddo, the current insurance agent for the association.

There have been several instances of loud parties at the pool and on other common areas, and possibly use of the pool by non-residents. Owners are reminded to take photos of code violators (parking issues, pool “poachers”, etc) and text them to MPM’s code enforcement officer, Jennie Lewis at 970-904-0519 with the location of the violation so that it can be addressed in a timely manner. If

the violation occurs after business hours, residents are asked to call the Eagle County Sheriff's office at 970-328-8690 or 911.

IV. Proposed Amended and Restated Declaration Work Session with Legal Counsel and Insurance Agent. Deb Forsline asked Steve DeRaddo to explain the difference in types of insurance coverage, specifically "developer conveyed" versus "bare walls." The association currently has "developer conveyed" coverage based on its current and original Declaration. This puts a greater responsibility for repairs and payments of deductibles on the association. The proposed A&R Declaration calls for "bare walls" coverage, essentially putting more responsibility on each homeowner to insure all elements from the drywall in. Kerry explained that under this scenario, each owner is responsible for insuring and maintaining everything inside of their "white box." Detailed discussion followed, with each Board member weighing in with the questions and opinions. Specifically, the Board has concerns with drain line back-ups given the history of such problems at The Reserve, along with roof leaks.

There was a MOTION: TO CHANGE THE INSURANCE COVERAGE PROVISION IN THE DECLARATION TO BARE WALLS. The motion was duly seconded, and after brief discussion, it passed unanimously.

There was a MOTION: TO DEFINE EXCEPTIONS TO THE BARE WALLS COVERAGE TO INCLUDE DAMAGES THAT ORIGINATE FROM DRAIN LINE BACK-UPS THAT OCCUR OUTSIDE THE FOOTPRINT OF THE BUILDINGS AND FROM ROOF LEAKS. The motion was seconded and approved unanimously.

The Board thanked Steve DeRaddo for his presentation and expertise and he excused himself from the meeting.

The Board then entered into a work session with legal counsel to tackle some of the controversial issues in Article 4: Restrictions. Deb Forsline led the discussion based upon comments received from the entire membership earlier this year. Topics included home-based businesses, short term rentals, fees for recreational facilities and parking, restriction on open fires and solid fuel grills / stoves on common and limited common elements, recreational equipment storage, items permitted / not permitted on decks, smoking, growing of marijuana, hard-surface flooring installation and more. Several decisions were made.

There was a MOTION: TO ALLOW SHORT TERM RENTALS IN THE AMENDED & RESTATED DECLARATION. The motion was seconded. A vote was taken and three Directors voted FOR the motion, one Director voted AGAINST the motion and Andrew Abraham abstained. The motion passed. There was consensus to address any limitations on rentals (ie: length of rental

period, number of occupants) in the Rules & Regulations, to be drafted once the Declaration is complete.

There was a MOTION: TO PERMIT PARKING OF ONE VEHICLE PER LEGAL BEDROOM PER UNIT AT THE RESERVE. ADDITIONAL PARKING SHALL BE AVAILABLE ON A FIRST-COME, FIRST-SERVED BASIS. The motion was seconded and carried unanimously. In this manner, each two bedroom unit will be issued two parking permits (lofts do NOT count as legal bedrooms) and each three bedroom unit will be issued three parking permits. The Board may choose to charge a fee for additional assigned or unassigned parking spots. The parking plan will be further defined in the Rules & Regulations.

Kerry was given clear direction on most of the clauses in Article 4 and will revise and redistribute the proposed A&R Declaration with the changes discussed during the work session. The Board thanked her for her time and expertise and she excused herself from the meeting.

- V. Financial Review. Kay Cheney, bookkeeper for the association, prepared the current financial reports (as of May 31, 2016) and Dan McNeill presented them to the Board.

According to the Balance Sheet, the association currently has \$73,675.35 in the regular checking account and \$144,380.66 in the liquid asset replacement account. There was \$501 in the Peter Lord Memorial Bench Fund. Some of that money was used to purchase a bench. The bench will be assembled and placed on a concrete pad overlooking the river. Any funds left over will be donated to a cancer research fund in Peter's name. Accounts Receivable as of June 14, 2016, was \$2284.13.

The Profit and Loss Statement reveals that the association has operating expenses of \$163,430 for the first five months of the year. This compares with budgeted expenses of \$169,134. Most line items are tracking at or under budget at this point in the year. Common Repair and Maintenance and Electric (Common) line items are over budget. Net Income is \$17,505.

The 2016 beginning balance in the Replacement Reserve Account was \$107,305.28. Funding totals \$38,160 (through May 31, 2016) and 2016 capital expenses total \$31,248.56 and include \$13,513 to Guerrero's Roofing, \$2234.70 for smoke detector replacement, \$1193.76 for the new Knox Box, \$446.28 for wiring for new heat tapes, \$3668 to Goodman Wallace for work on the Governing Documents Revision Project, \$3200 for the professional Reserve Study and \$5440 for the irrigation system design. The ending balance in the Replacement Reserve Account is \$115,390.48.

VI. Manager's Report. Dan spoke briefly about the existing irrigation system and its limitations. Now that the rainy spring weather has turned into a hot and dry spell, brown turf spots will begin to appear. Avalanche's irrigation specialist is attempting to minimize brown spots since Pristine is no longer managing the system. Once the irrigation system replacement contract is signed with Eco Irrigation, the special assessment will go out to all owners. Management anticipates that the cost will be \$1500 per unit on average, adjusted for allocated interests.

The carpentry work on the buildings slated for painting is now complete. One deck post on Building G was replaced. Painting is now underway.

VII. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 9:10PM.

Respectfully submitted,

Secretary to the Meeting