

Cordillera Valley Club Property Owners Association
Board Meeting Minutes
Wednesday, April 10, 2019, at 2:30PM MT
101 Legends Drive, Edwards

BOARD MEMBERS PRESENT IN PERSON: Bob Engleby, Kent Myers, Tom Marcin and Paul Kessenich

BOARD MEMBERS PRESENT VIA TELEPHONE: Art Greenfeder

ALSO PRESENT IN PERSON: Dan McNeill, Managing Agent, Marsha Bjornson, Bookkeeper and Sara Thurston McNeill, Secretary to the Meeting

HOMEOWNERS PRESENT IN PERSON: Lyons, Schlendorf, Forester, Rischitelli, Adkins, Nobrega, Scrivens and Young

HOMEOWNERS REPRESENTED BY PROXY: Ward (represented by Doug Lockhart)

HOMEOWNERS PRESENT VIA TELEPHONE: Scott Claymon

- I. Call to Order. With all five Directors present either in person or via telephone, a quorum was established. Dan McNeill called the meeting to order shortly after 2:30PM.

- II. Consideration of Changes to the Agenda. There were no suggested changes.

- III. Financial Matters. Marsha Bjornson prepared the March 31, 2019, financial reports and Dan McNeill presented them to the Board. According to the Balance Sheet, the association currently has \$664,397.69 in total assets, liabilities and equity including \$628,275.66 cash in the banks, \$26,551.21 in accounts receivable, DRB deposits of \$151,400 and \$9572.82 in prepaid insurance premiums. Marsha explained that as the date of the meeting, three more homeowners have paid their annual dues of \$1500. There are still five delinquent accounts and late fees and interest have been applied, per the Collections Policy.

Equity totals \$516,295.19 and includes \$63,815 in working capital reserves, \$276,995.84 in the capital improvement fund and net income of \$175,484.35.

The Profit and Loss Statement through March 31st reveals that the association has collected \$197,030 in operating income so far this year through regular dues, interest and RETA. Operating expenses total \$21,545 for the first quarter. Total operating expenses for the year are budgeted to be \$191,300.

The 2019 beginning balance in the Capital Reserve Fund was \$271,395.84. Funding through RETA income totals \$5600 so far. No capital expenses have been incurred yet this year. The ending balance in the Capital Reserve Fund is \$276,995.84. Marsha commented that she expects two more closings this spring.

- IV. Manager's Report. Dan McNeill, Managing Agent, reported on recent spring clean up efforts, including some road side clean up. Street sweeping is scheduled to begin next week, and a grader will be brought in to smooth out the shoulders. Flower planting (by Kathleen Cope of Garden Creations) will begin in mid-June. With the drought conditions anticipated to be at least somewhat alleviated, Dan hopes that the flowers will be able to thrive this summer. Irrigation will be started up within the next four weeks, and noxious weed mitigation will be undertaken on common lots (Canadian thistle and yellow sweet clover). The weed treatments will also be offered to vacant lot owners at their own expense.

Dan met earlier this year with Tom Marcin to determine if it is feasible to offer homeowners who want to replace their asphalt driveways to sign up for this work at cost savings due to economies of scale. No further information is available at this time, but he hopes to have something to disseminate to homeowners later this spring.

2019 Capital Projects will include the continuation of the removal of problematic cottonwood trees and berm work.

- V. Design Review Board Report. Dominic Mauriello submitted his report via email to the Board prior to the meeting. He reported:

“We have seven new homes under construction, with one additional home with final plan approval. There are 14 vacant lots remaining (not including those under construction or in the DRB process). We’ve staff-approved some minor projects, including additions, tree removal, repaints and hot tub additions.”

Dominic also provided a color-coded map of the subdivision that identifies the lots currently under construction (7), vacant lots (14) and lots currently in the DRB process (1).

Dan noted that with the busy construction schedule this summer, homeowners may experience some nuisance issues with regard to noise, parking, access, etc.

Homeowners are asked to report any problems to him and to Dominic so that contractors can be contacted by management in a timely manner.

- VI. Other Business. Tom Marcin updated the Board on the progress of the Berm Project. The proposed west end earthen noise mitigation berm application is being reviewed by the Colorado Department of Transportation because it is planned for installation within the highway's right-of-way. If approved, the berm will require an intergovernmental agency agreement that addresses the construction, maintenance and funding for the project.

The eastern end earthen berm's construction is substantially complete, and 128 trees have been purchased to be planted on the berm. Approximately 50 trees have already been planted. The contractor chosen to do the landscaping of the eastern end berm is Premier Landscaping. Owners that want to purchase additional trees to mitigate visual impacts should contact Tom Marcin as soon as possible. The final phase of the eastern berm plan is the installation of a fence on top of the berm. The current plans call for a vertical, wooden picket fence, but alternatives could include concrete panels.

There was a request for the continuation of the berm further east to try and mitigate impacts for homeowners on eastern end of Legacy Trail. Mr. Marcin explained that the area has size constraints that may make a significant berm undoable.

Mr. Marcin commented that the eastern end berm is way ahead of schedule due to the availability of fill dirt from the booming new construction market. Any owners that want to see a full-size rendering of the berm plan can visit Marcin Engineering in Eagle-Vail.

The 2019 Annual Membership Meeting was scheduled for Tuesday, June 25, 2019, at 9:00AM. The location will most likely be the Fireplace Room at the CVC Clubhouse. Management will make arrangements for teleconferencing.

- VII. Memorandum of Understanding Between Resort Concepts and CVC POA Board of Directors. Bob Engleby gave those present a brief chronological update on the Club's attempts to develop the CVC Clubhouse and the parcel upon which it sits in 14 residential units. The Club and Resort Concepts, the developer who will build the residential units approached the CVC POA Board of Directors in October 2018 with preliminary plans to have Resort Concepts purchase the land (Filing 1, Tract R-1) from the Club. The current amenities of the pool, pool house and tennis court will be relocated to the south side of the clubhouse and the clubhouse and amenities will receive about \$6 million in renovations.

The POA Board then sought an in-house legal opinion of the proposal and had several meetings with counsel to determine the CVC POA's options. The Board and the legal advisor unanimously felt it best to work with the developer and club to determine a mutually beneficial agreement. The proposed plans have been through about four iterations with the attorneys for CVC POA and Resort Concepts and Windrose Properties (Club). The latest Memorandum of Understanding, dated February 25, 2019 highlights the following:

- All of the property subject to purchase will be included in Cordillera Valley Club and be subject to existing governing documents including, but not limited to the PUD Guide, the Declarations and Design Review Guidelines as well as to the CVC Metropolitan District rules and regulations.
- All property sold shall be subject to the 2% Real Estate Transfer Assessment.
- Per the original PUD, the developer retained the ability to build 17 additional residential units, and the clubhouse tract was zoned for development. The current plan calls for 14 units, 12 of which are to be attached duplex (townhome-style) homes and 2 of which are to be single family homes. The developer may want to exercise its right to construct an additional three residences, integral to the redeveloped Clubhouse at some point.
- All property owners in Cordillera Valley Club will be offered the opportunity to join the Club with a social membership with no initiation fee during a Special Offering Period. Regular dues shall thereafter apply.

The floor was then opened to the Board and the other homeowners present. Kent Myers put forth his concerns about development on the “peninsula” parcel at the intersection of Beard Creek Trail and Legends Drive. This area has been subject to flooding and mudslides during two past events. In 2013, the CVC Metro District hired an engineer to design mudslide deterrents in the gully in Tract K (across from the Clubhouse). However, the culvert that collects and distributes rainwater and debris from the bottom of the gully may or may not be wide enough to handle the run-off in subsequent events. The equipment installed has not been tested with a severe rainstorm or mudslide since 2013. He suggested that if the construction of two homes on this parcel are approved, an engineered drainage plan must be an important condition of DRB approval. Within the MOU, the developer has already agreed to this concept. Kent also voiced his concern regarding the blocking of view corridors from the homes located at the bottom of Sanctuary Lane (where he lives).

Bob Engleby noted that the primary goal of the Board of Directors is to work to increase property values throughout the community, make decisions in the best interest of the homeowners and to put personal agendas aside. He noted that one homeowner who could not be in attendance today contacted him via email prior to the meeting to state that she was in favor of the development.

All of the homeowners in the room were given a chance to make comments and ask questions. A near unanimous majority of those present thought that a

renovated clubhouse would be in the best interest of the community as a whole, especially for those who are not currently members of the Club at Cordillera. At least two real estate brokers present thought it would be useful to have some smaller homes in the community that could serve the interests of buyers who wanted an entry level home or existing homeowners who want to downsize after becoming “empty nesters.” After discussion, a straw poll was taken and there was near unanimous consensus among those present that it would be advantageous to the POA to keep negotiations between Resort Concepts and the Club at Cordillera moving in a forward direction so that the homeowners could reap the benefits associated with a renovated Clubhouse and new amenities for the community.

There was a MOTION: TO SIGN THE MEMORANDUM OF UNDERSTANDING DATED FEBRUARY 25, 2019, AS PRESENTED. The motion was seconded, and discussion continued.

Kent reiterated his objection to the homes planned on the “peninsula” parcel. Tom Marcin thought that the two homes planned for this area could be relocated downhill somewhat. Malia Nobrega asked whether it was appropriate to sign the MOU in its current form if the community decides to disapprove development on the “peninsula” parcel after the MOU is executed. Bob Engleby responded that the MOU is tool used to negotiate in good faith, that it is a non-binding agreement and that the homeowners would be given a comment period in which to review the plans and return any concerns to the Board. The Board will then take into consideration all comments received prior to the signing of any binding contract. He also noted that the Club and the developer may be able to move forward with their plans WITHOUT POA Board approval, but they are reluctant to do so. They want the approval of the community prior to breaking ground.

A vote on the motion was taken. Two Directors voted AGAINST the motion and three Directors voted FOR the motion. The motion passed.

VIII. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 4:20PM.

Respectfully submitted,

Secretary to the Meeting