

**ALPINE MEADOWS PROPERTY OWNERS ASSOCIATION
MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF
DECEMBER 29, 2017**

Board Members Present: Rick Barnard, Happy Fowler (phone), Pat Jenevein (phone), Honeydew Murray (phone)

Board Member not present but Proxy given: John Bruno (to Jerry Clark)

Officers Present: Jerry Clark (President), Jim Martin (Vice President), Elizabeth Smith (Treasurer)

The meeting was called to order by Mr Clark at 2:10 pm MST, who, noting that proper notice had been given for the meeting and a quorum was present, stated that the meeting was properly constituted for business.

1. Update on Items Pending from the Fall

- Lake Signs: Mr Clark and Mr Barnard reviewed the status of the Lake signs that the HOA had requested. Mr Barnard advised that the lake signs have been received, and are being stored in the pump house. He will install them at their agreed locations around the lake in the Spring after the ground has thawed.
- Finalizing Lake Use Rules: The Board reviewed the Lake Use Rules and a Waiver Release of Liability form for third parties (renters and guests) using the lake. The Board offered some changes to the Lake Rules document and requested that Mr Clark explore with legal counsel the best way to ensure that the document requires homeowners themselves secure signatures of the waiver release from both renters and guests, that homeowners bear responsibility for any claims against the HOA by renters and guests, and that all homeowners also release the HOA from liability from use of the lake.

A MOTION WAS MADE, SECONDED AND UNANIMOUSLY APPROVED TO EMPOWER MR CLARK TO MAKE SUCH CHANGES TO THE LAKE RULES AND WAIVER DOCUMENTS WITH THE ADVICE OF COUNSEL AND TO REPORT BACK TO THE BOARD ON THE FINAL LAKE RULES/WAIVER DOCUMENTS WHEN COMPLETED.

- D&O Insurance: Mr Clark advised the Board on the latest status of Mr Bruno's efforts to secure D&O insurance. Mr Clark advised that Mr Bruno had received a quote from an insurance carrier for approximately \$800 per year offering \$1 million of coverage. Some questioned whether the \$1 million coverage was enough. Mr Clark offered to ask Beth Appleton (HOA legal counsel) as to what coverage levels other HOAs might have, and work with Mr Bruno to secure quotes on other levels of coverage if necessary, and report back on the findings. The Board then had a broader discussion of who might be alternative insurance carriers for the HOA as the current coverage comes up for renewal.

2. Status of Legal Review of ByLaws and Covenants and Recommended Changes

Mr Clark led a review of our current Bylaws and Declaration of Protective Covenants (the Covenants), identifying several significant shortcomings of said documents. After review and discussion of all the

areas and items needing change in the Bylaws and the Covenants, Mr Clark then made several recommendations to the Board including: 1) that the Board approve a “Policy for Adoption and Amendment of Policies, Procedures, Rules and Regulations”; 2) that the Board empower Mr Clark to complete a re-write of the current Bylaws (work already in progress) and present completed product to Board for final approval; and 3) that the Board empower Mr Clark to work with legal counsel to determine the best way to amend the current Covenants for the changes identified.

MOTIONS WERE MADE, SECONDED AND UNANIMOUSLY APPROVED TO EFFECT ALL OF THESE ABOVE RECOMMENDATIONS, AND REPORT BACK TO THE BOARD ON THE FINAL DOCUMENTS FOR APPROVAL BEFORE ISSUANCE TO THE MEMBERS.

Mr Clark noted that while changing the Bylaws is within the power of the Board (provided they do not affect quorums of Member meetings or Member voting rights), it would be good practice to offer Members a period to comment on the new Bylaws, which the Board could then take under consideration before finalizing. Mr Clark also noted that any changes to the Covenants would require approval by at least 2/3 of all Member votes.

3. Status of FY 2018/19 Budget; Recommendation for Assessment Increase

Mr Clark led a review of the Latest Forecast for spending and income in the current fiscal year of 2017/18, and the proposed budget for FY2018/19. Mr Clark noted that, thanks to the work of Treasurer Ms Smith, our financial statements since 2015/16 have now been transferred to QuickBooks, facilitating better analysis of past results as well as development of forecasts. Mr Clark noted that HOA expenditures for FY2017/18 will be \$7,081 higher than the final budget for that year and almost \$14,000 higher than the average expenditure during the two previous fiscal years. The bulk of the increases vs previous years reflect a number of one-time expenditures (eg, reserve pump, fence issues, and changing/upgrading the HOA legal documents) that should not recur. That said, there are several areas where ongoing expenditures are now expected to be higher, largely reflecting the decision to secure D&O coverage, HOA approved Weed Control for individual lots, and higher expected annual legal costs versus years past.

As a result, Mr Clark presented a budget for FY2018/19 of \$24,195, which he recommended the Board approve subject to him incorporating minor final changes. Assuming an objective to return to an end-of-fiscal-year cash balance of \$34,000 by June 30, 2020, Mr Clark also recommended that this could be achieved by levying a one-time special assessment of \$100/lot to be paid by October 2018, and by increasing the annual assessment by \$100/lot beginning January 2019.

A MOTION WAS MADE, SECONDED AND UNANIMOUSLY APPROVED TO RECOMMEND TO THE MEMBERS THE FY2018/19 BUDGET AND THE ASSESSMENT INCREASES AND THEIR TIMING AS DETAILED ABOVE.

Mr Clark noted that unless the Covenant changes recommended in Item 2 above are not approved by the Members prior to voting on the Assessment recommendation, then the proposed Assessment increases would require a 2/3 vote of a 60% quorum of Members present at a meeting for approval. Mr Clark noted that if the Members do approve the changes to the Covenants in advance of voting on the Assessment recommendation, then one of the recommended changes to the Covenants so approved would allow the Assessment increase to be approved automatically upon presentation of the Budget and the Assessment increase, unless Members made and approved a motion to reject the Budget.

4. Possible Rules for Short and Long Term Rentals

Mr Clark presented material and background on the situation in Alpine Meadows regarding Short and Long Term rentals by Members to third parties, and posed whether the Board wished to survey Members of any restrictions they believe should or should not be imposed. After discussion, the Board decided that the current situation in the neighborhood was not so severe as to warrant significant changes, and are willing to allow rentals to continue at their current pace, provided behavior of renters is acceptable, that rules are followed, and that the potential for legal liability claims rests with the homeowner who is renting out their home. Mr Clark offered to draft a set of "Renter Rules" that incorporate the comments and sentiment of the Board on this subject and will present it to the Board in the near future for consideration as to how best to communicate to Members.

5. Timing of Payment of Dues by Members

The Board agreed that a letter and invoice for payment of current dues should be sent to Members in January 2018 requesting payment by early March 2018. This is consistent with current Bylaws, although in recent years the request has been delayed two calendar months.

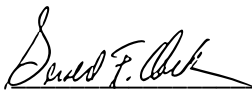
6. Hydroseeding

The Board received a report from Mr Clark and Ms Fowler regarding cost estimates that have been received to hydroseed the barren hillsides along the road up to Nicholson Ridge. The current estimate is broken into two parts, which total \$7,550. Approval of this expenditure would require an increase to the budget as well as to the Assessment required from Members.

The Board discussed the issue regarding hydroseeding, and concluded it would need to revisit the issue at an upcoming meeting. As a result, the Board agreed to include the topic on its next meeting's agenda and asked that more information be provided about alternatives, costs, and likelihood of sustainable results.

TERMINATION OF MEETING

There being no new issues requiring the Board's attention and no further business to transact, the Board agreed to terminate the meeting at 4:25 pm MST,



Gerald F Clark
President