

ELK STREAM RANCH PROPERTY OWNER'S ASSOCIATION
PO Box 285
Mancos, CO 81328

Dear Association Members,

NOTICE OF SPECIAL ASSOCIATION MEMBERS MEETING

This is to notify you of a Special Meeting for Association Members to ratify the enclosed amended budget which was adopted by the Board of Directors at a regular meeting of May 19, 2021. The special meeting will be held on June 1, 2021 at 12:00 noon at 7015 Road 46. Those wishing to attend by calling in may do so by calling 605-313-4838 and entering Code 7543. The sole agenda item will be ratification of the enclosed amended budget.

EXPLANATION OF THE BUDGET CHANGES

The primary purpose of the budget amendment is to provide for a new gate at the entrance of Elk Stream Ranch and cover a substantial increase in the budget for repair and maintenance of Association Roads. The Board determined that this could be done without any additional member assessments at this time by transferring \$25,000 from road reserves for road repair and maintenance consistent with past practices as noted in the Interim update to road reserve study (May 22, 2014) and using the snow plow assessment which was part of the original budget for reserves to cover this year's snow plowing costs. Additional savings and income are reflected in the amended budget based on actual and anticipated year to date receipts and expenditures which are minor amounts but which create a sufficient surplus to help cover the cost of the gate. The enclosure shows the original adopted budget to the amended budget.

BACKGROUND AND INFORMATION ON THE GATE

The original gate was installed in the 1990's with an expected life of about 20 years. The gate's technology has become obsolete and often the gate does not function, requiring that it be left open until repairs can be made. In addition, the gate can be pushed open without the code making the community vulnerable to intruders. After studying the matter, the Board requested a proposal from Viking Security who has been making the repairs. (Viking was also recommended by Aaron Taylor who was the builder of a number of homes in the canyon.) The Board received a proposal from Viking in mid April for \$38,668. With a sudden escalation in steel prices, however, Viking could only honor the quote if the Association committed to the contract and made a substantial deposit so the steel could be procured on the basis of existing prices. The Board, therefore, took action by unanimous resolution on April 23, 2021 in accordance with Board By-law 3.11 to proceed. (The Board

believes that this action has been further vindicated by the constant and substantial increases in building costs since then.) The new gate will have substantial benefits for the members. Each member will receive two transponders for car operation and members will each have an individual code which they can give to guests and service providers or will have the option of remotely opening the gate by phone (landline or cell) when called. Each member will have the ability to change their personal code as they see fit. This way we will no longer be so vulnerable to our code circulating throughout the community.

The Board is also committed to maintaining the high quality of the road condition and replenishing the Road reserves to it at least its current level of \$40,000 as a part of future budget cycles.

MEMBER BUDGET RATIFICATION PROCESS

Amendment of the Annual Budget is permitted by By-law 5.11 and is deemed ratified by the members “[u]nless at [a special meeting] sixty-seven percent (67%) of the Members of the Association, whether or not a quorum is present, rejects the budget amendment”.

Please feel free to contact any member of the Board if you have any questions or concerns. Contact information for Board members is available on the web site.

Sincerely,

Ken Surabian, President
Dave Johnson, Vice President
Dave Larsen, Secretary/Treasurer

Original signatures: 5/19/2021