

**THE PORTIONS OF THESE MINUTES PERTAINING TO LITIGATION AND
CLAIMS ARE PRIVILEGED AND CONFIDENTIAL**

ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting

Date: January 10, 1995

Present: Jane Buchsbaum, Dick Downar, Theodore Ginsburg, Mary Lawton, John O'Brien and Peter Stanton

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:05 A.M. by President Pete Stanton. The November 14th 1994 minutes were approved as they had previously been corrected. Ted Ginsburg and Mary Lawton moved to approve the December 13th minutes as corrected. The motion passed.

TREASURER'S REPORT:

John O'Brien, Treasurer, reported that there was a \$20,000 carry over at the end of the year plus the Reserve Fund making a total of \$39,000. \$18,000 is in the Reserve Fund. The remainder is in the checking account. Ted Ginsburg asked about the possibility of investing the surplus funds. Pete Stanton replied that we are not in the business of making money. Dick Downar moved and Mary Lawton seconded a motion to instruct our Treasurer to look into the possibility of investing in interest bearing paper. The motion passed.

ALTAMIRA:

Mr. Stanton reported that we are waiting for a response to the request for discovery motions. He calculated that by the end of January we will have everything in. The question of asking for a summary judgement now was discussed with our attorney, Peter Ives. He advised waiting for the discovery information. The Altamira Board asked for a list of Estancia Primera members again. Peter Ives advised giving the list to them although they may want to depose some of our members in regard to how they voted on certain issues. Mr. Stanton suggested that it would be prudent to write to our members, in case they receive such a request, suggesting to our members that they be in touch with us and we will provide legal counsel. He further explained that we filed a motion asking that Altamira homeowners be separated. Ed London, David Hafermann and Helen Bergman have agreed to settle with us giving us a total of 13 of the 31 property owners. In February Peter Ives will file for a declaratory judgement.

ANNEXATION:

Ted Ginsburg reported that Judge Herrera will hear our motion for a summary judgement on February 24, 1995 in chambers. We have a problem due to the fact that when we released the property across the street we filed a disclaimer saying that our covenants did not apply to any undeveloped tracts.

Mary Lawton explained that Mary Walta, our attorney, is not

receiving any progress payments from our insurance company, \$48,000 has been billed to date. She is billing them at a rate higher than we would be billed. Unfortunately, Ms. Walta is in a cash bind and may have to slow down until she receives some money. Ms. Walta needs an extension to enjoin the other developer's. The feeling is that if we go after each one separately the insurance company will balk. We deal with Peters and Ross not the insurance company. Mary Lawton said that it is typical of insurance companies that they will not pay until the end of all litigation.

We did receive a letter from Kachina Hills which asked for a negotiated settlement. We rejected the request. Mr. Stanton reported that Ed London is saying that Mr. Brenner backed out of buying London's property because he could not come to an agreement with us. Mr. Stanton reiterated that we had had a good meeting with Mr. Brenner but never heard from him again.

ARCHITECTURAL REVIEW BOARD:

Mary Lawton, Chair, reported that the ARB Guidelines have been revised and gave a copy to each Board member for review. The ARB would like to delete all references to pitched roofs, as they are not a possible consideration. As these guidelines will apply to the annexations, if we win the lawsuit, we must discuss and approve there guidelines in March. Ms. Lawton explained that we now have an architect who will review plans for \$100. A new house is going up in La Viveza. Ms. Beck, on Paseo Cresta, has asked for her deposit but it will not be released until the house is completed and problems resolved. There is no information yet on the Aspen Compound road.

RECREATION CENTER:

Mr. Stanton reported for the absent Peter Gonzalez that the grillwork has been painted. More estimates are being sought for the stucco repair. Mr. Stanton distributed the new "Rules and Regulations" which will be discussed in February. The cost to close the spa is \$525 and we will proceed with this. This amount includes about \$75 for a clean-up of the area on the north side of the building.

ASPEN COMPOUND:

Mr. Stanton distributed copies of a letter he will send to Messrs. Dunn, Fulgentiz and Tibbs suggesting that they form a committee to handle the business of Aspen Compound.

SNOW PLOWING:

Ted Ginsberg reported that there has been no need to plow as the snowfall has not reached 6". We are still working with Peter Ives on the insurance concerns.

PARTIES:

Mr. Stanton reported on the lovely Christmas party and said there may be a Valentines Day party.

GROUNDS:

Mr. Stanton and Mr. Downar will work on guidelines.

ADDITIONAL ITEMS:

1. The revised By-Laws have been registered with the Corporate Commission. The By-Laws and the Covenant & Restrictions were first recorded with the clerk of Santa Fe County.
2. Mr. Downar asked if the Articles of Incorporation have been filed. Mr. Ginsburg, Mr. Stanton and Ms. Lawton said that it had been done.

The meeting was adjourned at 9:20 A.M.

Respectfully submitted Jane K. Buchsbaum

Secretary

**THE PORTIONS OF THESE MINUTES PERTAINING TO LITIGATION AND
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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting

Date: February 14, 1995

Present: Jane Buchsbaum, Dick Downar, Theodore Ginsburg, Peter Gonzalez, John O'Brien and Peter Stanton

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:05 A.M. by President Peter Stanton. The changes previously approved for the December minutes were accepted. Ted Ginsburg moved and Peter Gonzalez seconded a motion to approve the January minutes as corrected. The motion passed.

TREASURER'S REPORT:

John O'Brien explained that he has adopted a new format for the budget presentation. Mr. Stanton requested that Mr. O'Brien keep the Altamira line (5) separately from the current Altamira dues so that we can keep track of their back payments.

Several persons recommended that EPCSA should look into investing our excess funds. Mr. Gonzalez moved and Mr. Downar seconded a motion to accept the Treasurer's Report with the agreement that categories be revised. The motion passed.

ALTAMIRA:

Mr. Stanton explained that Peter Ives, EPCSA's attorney, is pursuing a summary judgement action. The court has no judge available so no hearing date has been set. An additional 3 of the 20 homeowners with dues and fees outstanding have requested settlement; Bergman, London and Lumpkin, although Bill Lumpkin wants to negotiate his figures.

Mr. Ives supported a second settlement option (Exhibit A attached) totals \$47,000. We would forgive the late fees and Recreation Center charges and keep the legal fees and expenses. Both Mr. Ginsburg and Mr. Gonzalez expressed that there should be no preferential treatment for these homeowners as compared to our original group. Mr. Ginsburg moved and Mr. Gonzalez seconded a motion to make Altamira a last offer based on a matrix which would remove the late fees and Recreation Center charges, with a 2 week time limit from the date of Mr. Stanton's offering letter. The motion passed.

ANNEXATION:

Mr. Ginsburg reported that we have received a letter from Jim Hayes in which he agrees to join the Association. He did ask for permission to have attached guest houses as this is in his covenants. Our covenants do not allow guest houses. Mary Walta, EPCSA's attorney, did file to join all developers in the law suit, but we are close to agreement with Mr. Hayes.

Mr. Stanton asked, "If we settle will we collect legal fees?". The answer was that we would collect legal fees from the insurance company. Mr. Stanton went on to inform the Board that, as of June, we will not be able to renew the present Directors and Officers liability insurance policy. Mr. Stanton further explained that guest houses and architectural control are the two issues with Mr. Hayes. Further, he wants to be relieved of any responsibility for the master drainage contract. We can not give any answer to that as it is between Hayes and the city. We, on the other hand, will not maintain the trail system Hayes is putting in. Mr. Gonzalez stressed that it would behoove us to settle.

Regarding the Diker property, Mr. Ginsburg feels that on 1 acre plus of land, detached guest houses do not have to be an issue. Mr. Stanton agreed but stressed that an owner should not be allowed to lease or sublet a guest house. Mr. Ginsburg moved and Mr. Downar seconded a motion based on a premise that guest houses be allowed in Estancia Primera if there is at least 1 acre or more of property, pending the approval of the EPCSA membership. The motion passed. The Board will undertake action to bring this motion to the EPCSA membership. Approval requires 46 favorable votes.

INSURANCE:

Mr. Stanton reported that the Directors Insurance covers the Board from all law suits. However, our current insurer will not renew the policy so we must look for a new carrier. The cost will probably escalate.

ARCHITECTURAL REVIEW BOARD:

Mr. Stanton reported for Mary Lawton who is in Russia. Michael and Paulette Cross are building between Ms. Lawton and the Cohens. The house will be 3,500 sq. feet in size. Ms. Walta is currently reviewing the plans.

Katharine Beck is requesting that her deposit be returned. She has been told that her house must first be completed and any damage to the road or her neighbor's property must be analyzed. She based her request on a 1988 document which is no longer valid.

RECREATION CENTER:

Mr. Gonzalez led a discussion on the revised "Rules and Regulations" which had been distributed at the last Board meeting. Mr. Stanton suggested that property owners should not be charged \$25 for a lost gate-entry card as it costs no more than \$1 to replace it and the old card number can be purged from the system. Mr. Stanton questioned the longer pool hours (to 9:00 P.M.) but said that if the pool committee is willing to open and close at the stated hours he had no objection. It was agreed that "swim pampers" should be made mandatory. Some concern was expressed about use of the pool for private parties. It was suggested that if there was a party a notice should be posted in advance. It was agreed that the pool party issue should be played by ear. Mr. Stanton offered a set of stainless flatware for Recreation Center use for \$40. Mr. Gonzalez moved and Mr. Ginsburg seconded a motion to purchase the flatware. The motion

passed.

Mr. Gonzalez reported that the work closing the spa was completed. He has received 3 bids for the stucco work, 2 being lower than the original bid. He will present his recommendation at the March Board meeting.

ASPEN COMPOUND:

Mr. Stanton sent the letter, described in the previous month's Board meeting minutes, but there has been no response.

COMMON PROPERTY LIABILITY INSURANCE:

Mr. Stanton stated that the common property of the tracts can not be covered by the Master's insurance. EPCSA does not have the right or capability to cover the tracts' common property because it does not own it. It was decided by Paseo Cresta, at their recent meeting, to do nothing on this matter as their individual homeowners policies should cover the problem.

GROUNDS MAINTENANCE:

Mr. Stanton and Mr. Downar have not yet met to create the guidelines.

Mr. Ginsburg brought up a problem concerning the plantings along the large retaining wall below Cumbre Vista (bordering Avenida Primera). It is their feeling that this should be an EPCSA responsibility because it is not seen by Cumbre Vista residents. Mr. Stanton said EPCSA could not accept this responsibility because it would set a bad precedent.

ADDITIONAL ITEMS:

Jeanne Culpin has asked the Board to have the Berkelo satellite dish removed. Mr. Stanton will discuss the matter with Mr. Berkelo. The house is on the market and the dish must be removed when the house is sold.

The meeting was adjourned at 9:30 A.M.

Respectfully submitted Jane K. Buchsbaum

Secretary

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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting

Date: March 14, 1995

Present: Jane Buchsbaum, Dick Downar, Theodore Ginsburg, Peter Gonzalez, Mary Lawton, John O'Brien and Peter Stanton

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:00 A.M. by President Peter Stanton. Mr. Gonzalez moved and Mr. Downar seconded a motion to approve the minutes of the January Board meeting as previously corrected. The motion passed. Mr. Ginsburg moved and Ms. Lawton seconded a motion to approve minutes of the February Board meeting as corrected. The motion passed.

TREASURER'S REPORT:

Mr. Stanton reported for Treasurer John O'Brien. He said that 10 homeowners had not yet paid their assessments. He suggested that as a delinquency letter has already been sent the next step should be to send a "Last Reminder" letter stating that there will be a 10% late fee if the assessment is not paid within 20 days or a lien will be placed on their property, (Page 22, Section 5:10 of the Covenants and Restrictions gives the Board permission to charge the 10% penalty). It was suggested that Mr. O'Brien and Mr. Stanton should call the delinquent homeowners and if no response is received, write to them. Mr. Ginsburg moved and Mr. Downar seconded a motion that in the future we should mention a specific deadline for assessment payment and include a return envelope. The motion passed.

Mr. O'Brien then presented the regular Treasurer's Report. Our current balance is \$47,246.99 and our net worth is approximately \$65,000. Mr. O'Brien reported that \$20,000 will be put into a 6 month CD at approximately 5% interest. \$5,000 will be transferred into the Reserve Fund. Mr. O'Brien went on to explain that we have paid \$10 to file a Corporate Report. Mr. Stanton clarified by saying that we must file as a non-profit Community Corporation. We ^{must also file for said interest that we} receive \$100 credit, ~~and then~~ ^{we} must pay 30% of any interest we make on any of our accounts.

Mr. Downar moved and Mr. Gonzalez seconded a motion to accept the Treasurer's Report. The motion passed.

ALTAMIRA:

Mr. Stanton reported that on February 1st we sent the second settlement offer based on the matrix we discussed at the last Board meeting. There have been 4 responses; Bergman paid, Lumpkin and London have said they will pay but we have received nothing to date, Seedman wrote a letter indicating confusion. There are 16 left. Eagle asked to be put under the Altamira law suit. Mr. Ginsburg explained that the second offer was approximately \$550

more than the original offer plus \$500 for the year's assessment. Ms. Lawton indicated that this needs to be the end of settlement offers.

Mr. Stanton said that Mr. Ives, our attorney, is three quarters through with the summary judgement. He will coordinate with Mary Walta, our other attorney, and then file. Ms. Lawton offered to work on this matter. Mr. Stanton reported the Altamira did file an answer to our original motion saying that they should not belong to EPCSA because we are not living up to our drainage contract with the City.

ANNEXATION:

Mr. Ginsburg reported that he had met with Kachina Hills representatives including Jim Hays, his partner and his attorney. The main issue is the Architectural Guidelines. One of the major concerns is the question of black top driveways. Mr. Hays had asked for "chip seal" on main streets but the city did not approve as it is too costly to maintain. Mr. Hayes contends that if the city has black top in the streets the driveways might as well be the same. Mr. Stanton explained that the impervious surface is more expensive for all to maintain, including homeowners. Our current ARB Guidelines say that driveways should be earth toned, but discretion is allowed. Each case can be brought to the ARB for approval. Ms. Lawton cautioned the Board that if a black top is redone it should then be brought into compliance. The way things are done currently, changes are made and the ARB finds out after the fact. However, an agreement with Hayes will require no change in our Covenants, only changes in the ARB Guidelines. This should only be done with Kachina Hills approval, on that basis they will draft an agreement as will we and there will be a settlement rather than a law suit.

Mr. Ginsburg described a meeting with Mary Walta and Charles Diker (tracks N, O and P). He wants to be able to have detached guest houses and we have said we would not object if the lots in question are greater than 1 acre and as long as the guest houses are not separately rented. Unfortunately, they may want separate studios and garages. This may be too many buildings. Ms. Lawton asked whether we will have to make separate settlements with each developer? Mr. Stanton said yes. We will finish with Kachina Hills and then take up the other 3.

RECREATION CENTER:

Mr. Gonzalez reported that he did make the changes suggested at the last board meeting to the "Recreation Center Rules and Regulations". Mr. Gonzalez moved and Mrs. Buchsbaum seconded a motion to adopt the revised Rec. Center Rules. The motion passed. They will be mailed in April in time for the mid May pool opening. James Cordova will be back for the coming pool season and is happy with the 9:00 to 9:00 hours.

Mr. Gonzalez reported on the plastering repairs. He has received 3 bids. The lowest bid is \$5,290 from Southwest Plastering. The parapet and building walls need to be done ASAP as they are in bad shape. The yard walls can wait until fall or even into next year. In addition; the canales and the plywood structure surrounding the racquetball court ventilator are badly in need of

painting, the interior of the building will need painting by next year or it will begin to look rather seedy. Mr. Ginsburg moved and Mr. Stanton seconded a motion that we do all of the maintenance now with the exception of the interior painting. The motion passed. Mr. Ginsburg suggested to Mr. Gonzalez that he re-negotiate the plastering bids, seeing that we are going to do all the work at one time. Mr. Gonzalez agreed to do so.

Mr. Gonzalez described 2 additional repairs required; the front steps are broken and there appears to be a water leak near the water meter on the souther edge of the property. Mr. Stanton advised Mr. Gonzalez to get both items repaired.

ARCHITECTURAL REVIEW BOARD:

Ms. Lawton reported that the plans for the Cross house have been approved.

Katherine Beck is receiving \$1,000 of her deposit now and the remaining \$500 when all repairs are completed.

ASPEN COMPOUND:

Mr. Stanton reported that there has still not been a response to his letter in regard to establishing a committee. The city has not approved the road. Neither the city nor we have released our bonds pending compliance. There are also stacks and chimneys which must be painted.

INSURANCE:

Mr. Stanton explained that we have received a letter from the insurer, (American Casualty of Reading, PA), stating that they will not renew our Directors and Officers liability insurance after July 30, 1995. Their stated reason is because of our past claims. As these claims are not of our making Mr. Stanton expressed his concern and said that our attorney, Peter Ives, wants to write and ask them to reconsider. They do have to cover our on-going law suits. Ms. Lawton asked if we should get new quotes. Mr. Stanton said that it may be difficult to find a new Directors and Officers insurance carrier but we will go to our common property carrier.

Mr. Stanton reported that Mr. Ives has prepared a letter stating that the individual tracts must be responsible for their liability insurance. Although they could be attached to the Master's insurance, there would be no savings. He said that he felt it would be cleaner for each tract to handle its own insurance. Ms. Lawton clarified that each association can be sued even if individual homeowners have their own protection. Mr. Stanton closed by saying that the insurance should cost no more than \$15 per household and it probably would be good to use the same company that the Master Association uses.

PARTIES:

Mr. Stanton said that we should have a pool opening celebration on Memorial Day - May 29th. Mr. Gonzalez said that plans had already been made to open the pool on May 15th. It was suggested to have a party no later than Memorial Day, or May 20th or 21st.

GROUND:

Mrs. Buchsbaum asked that the Board reconsider assisting Cumbre Vista with the large wall between Cumbre Vista and Avenida Primera. It should not be solely Cumbre Vista's responsibility.

ARCHITECTURAL REVIEW BOARD GUIDELINES:

A lengthy discussion was held on the Guidelines, led by Ms. Lawton. Mrs. Buchsbaum moved and Mr. Gonzalez seconded a motion to approve the updated draft of the Guidelines pending a review by Kachina Hills. The motion passed.

The meeting was adjourned at 11:00 A.M.

Respectfully submitted Jane K, Buchsbaum

Secretary

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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Special Board of Directors Meeting

Date: April 7, 1995

Present: Dick Downar, Theodore Ginsburg, Peter Gonzalez, John O'Brien and Peter Stanton. Absent were Jane Buchsbaum and Mary Lawton.

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:00 A.M. on March 30, 1995.

President Peter Stanton called a special meeting of the Board of Directors to ratify the settlement agreement reached to end the litigation between EPCSA and Kachina Hills Partners, and to approve the revised "Estancia Primera Architectural Guidelines". Mr. Stanton stated that a copy of the "Settlement Agreement", accepted and signed by Mr. Hays was in his possession.

Copies of the two documents had been given to each Board member prior to the meeting. Mr. Stanton asked for comments. Mr. Gonzalez asked why the Kachina Hills Partners \$500 per lot one-time contribution was limited to use for "future capital expenditures". Mr. Ginsburg replied that Kachina Hills wished the money not be used by EPCSA for current operating expenses so the money will be placed into our existing Reserve Fund.

The "Settlement Agreement" had been reviewed by Peter Ives, he provided a few comments which the Board considered and incorporated as appropriate.

Mr. Ginsburg moved and Mr. Downar seconded a motion moving that the Board of Directors of EPCSA ratify and approve the settlement agreement between Kachina Hills Partners and EPCSA. The Board unanimously approved the motion. Mr. Stanton stated that Board member Mary Lawton, who could not be present at the meeting, had reviewed the agreement and had sent her approval via Ms. Walta. Mrs. Buchsbaum reviewed the agreement upon her return on April 6, 1995 and passed her approval to Mr. Stanton

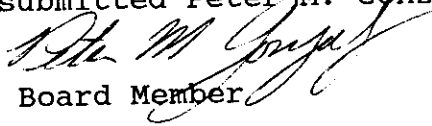
The "Estancia Primera Architectural Guidelines" were previously examined by the Board and amended at the March, 1995 Board meeting. This revision included the changes requested by Kachina Hills Partners as part of the settlement agreement. Mr. Ginsburg moved and Mr. Gonzalez seconded a motion that the EPCSA Board of Directors approve the "Estancia Primera Architectural Guidelines" as amended and as attached to the "Settlement Agreement". The motion was approved unanimously. Ms. Lawton had given her prior approval, via Ms. Walta, as described above. Mrs. Buchsbaum reviewed the Architectural Guidelines subsequent to her return on April 6, 1995 and passed her approval to Mr. Stanton.

Mr. Stanton indicated that he would ask that the Architectural

Guidelines be dated on every page before they are published.

The meeting was adjourned at 8:40 A.M.

Respectfully submitted Peter M. Gonzalez



Board Member

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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting

Date: April 11, 1995

Present: Jane Buchsbaum, Dick Downar, Peter Gonzalez, Mary Lawton, John O'Brien and Peter Stanton. Guest: Richard Culpin.

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:20 A.M. by the President Peter Stanton.

MINUTES:

Dick Downar moved and Mary Lawton seconded a motion to approve the minutes of March 14th. Peter Gonzalez moved and Dick Downar seconded a motion to approve the minutes of the April 7th Special Meeting. Both motions passed.

TREASURER'S REPORT:

John O'Brien reported that our current balance is \$26,943.16. He purchased a 6 month C.D. through Dean Witter for \$20,000 at 4 percent interest. There is \$5,000 in the reserve. There are some corrections to be made on the printed report. Mr. Gonzalez moved and Ms. Lawton seconded a motion to accept the Treasurer's Report for now and to review it again in May. The motion passed.

RICH CULPIN/LOS VECINOS:

Mr. Culpin reported that at the city's insistence, 5 acres for a commercial park has been set aside directly across Hyde Park Road from the second Estancia Primera entrance. This is part of a project by Ken Hinkus who built Aspen Compound (he is no longer "Canyonlands"). The new project has grown to 66 homes from 24 originally planned between Hyde Park Road, Williams Street and Valley Drive.

Mr. Culpin made the following recommendations:

1. Peter Stanton should send a letter to Beverly Garcia of the City Planning Commission and to the City Council.
2. Someone from Estancia Primera should join the Northeast Neighborhoods Association (NENA) and keep an eye on Ten Thousand Waves which is about to expand with a motel and restaurant.
3. We should monitor the City Planning Commission meetings as it is not clear as to when the commercial park issue will come up. Their regular meeting time is the first Thursday of the month. It is important to have people on our side present as a commercial venture on Hyde Park road would be dreadful.
4. We must express a need for downsizing the Los Vecinos project and eliminate the commercial piece.

Mr. Culpin also suggested that the EPCSA Board arrange for a special budget meeting prior to the Annual Meeting in order to eliminate hours of haggling at the Annual Meeting. It should be advertised as a meeting open to all in order to answer questions. This would help to make the Annual Meeting a more social event. Peter Gonzalez moved and John O'Brien seconded a motion to have this special budget meeting. The motion passed.

ALTAMIRA:

Peter Stanton reported on a series of actions since our last meeting; London and Bergman have settled, we can not reach Mrs. Seedman, Bill Lumpkin has hired Kurt Sommers to represent his interest, Joel Roth is handling the Altamira law suit, Eagle only owes his 1995 assessment but has joined the law suit group.

As there are 15 homeowners left to settle, some expression was made to the length of time this has gone on. We are losing our impact. Mary Lawton expressed disappointment as a homeowner and as an attorney. Jane Buchsbaum expressed concern that if Mr. Ives, our attorney, has not been aggressive in settling this matter with Altamira and applying to our insurance company for his fees, EPCSA should not be liable for his fees.

ANNEXATION:

Mr. Stanton reported that negotiations with Kachina Hills are completed and recorded including the revised Architectural Guidelines. There are possible law suits still pending with London, Diker and Alexander. They must respond to our complaint or joinder by 30 days from the time Kachina Hills removed its opposition. Ms. Walta believes each one wants to settle. Mr. Culpin expressed concern that someone should not be allowed to own a lot and for \$50 have full use of our Recreation Center. Mr. Stanton promised that if it becomes a problem it can be changed. Ms. Lawton clarified that a merchant builder is not the same as a lot owner.

ARCHITECTURAL REVIEW BOARD:

Mr. Stanton said that he will inform the public that revised Architectural Guidelines are available from Mary Lawton, Chair. The ARB has temporally approved a new house in Cumbre Vista and a driveway reconstruction in La Viveza. Catherine Beck on Paseo Cresta has received her escrow monies back.

RECREATION CENTER:

Peter Gonzalez reported that the broken water pipe had to be repaired twice. Mr. Stanton requested a shade on the inside of the meeting room for protection from the late afternoon sun. Mr. Gonzalez will investigate. The new Rec. Center Rules and Regulations will be sent with the newsletter. The pool will open on May 15th. Mr. Stanton thanked Mr. Gonzalez for all his work.

ASPEN COMPOUND:

The city still has a \$10,000 bond on the road and we are holding \$1,500. We may have to send a certified letter to each homeowner in regard to our \$1,500, if we must return this to the developer (Hinkus) before all of the homeowners are fully satisfied. Once we return the \$1,500 the road will be the homeowners' responsibility. This could be a problem because the homeowners do

not work together in an association.

INSURANCE:

Pete Stanton will send a letter to each tract President in regard to each neighborhood acquiring its own liability insurance. Although there is some coverage by individual homeowners there still could be a big problem if a claim is made. Peter Ives has written a letter but we still do not know the status of our Directors and Officers insurance. We are seeking new coverage. Mary Lawton suggested a claims-made policy. This is a very popular type of insurance today.

PARTIES:

Mr. Stanton announced that the pool opening party will be on May 21, from 4 to 8 P.M.. Julie Ginsburg and Lydia Ortiz are co-chairs. Mary Lawton asked if we have host liquor liability insurance? Pete Stanton will check on a rider for the Rec. Center, otherwise no liquor should be served.

GROUNDS:

Mr. Downar reported having trouble finding someone to do the grounds maintenance. One company offered 1 person at \$28 per hour. We need spraying and concrete work and Landworks could do it all. There is still a question as to who is responsible for the up-keep of the plants and trees below the Cumbre Vista wall. Mr. Stanton will investigate this.

NEWSLETTER:

Mr. Stanton said that a newsletter will be mailed soon containing much information for all homeowners, including; pool regulations, the status of Kachina Hills and Altamira, and the availability of the revised Architectural Guidelines.

The meeting was adjourned at 10:35 A.M..

Respectfully submitted Jane K. Buchsbaum

Secretary

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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting

Date: June 13, 1995

Present: Dick Downar, Theodore Ginsburg, Peter Gonzalez, Mary Lawton, John O'Brien and Peter Stanton;
Guest Mary Walta.

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:15 A.M. by President Pete Stanton. The minutes of the March 3rd Board meeting were approved as amended. The minutes of the April 11th Board meeting were reviewed and minor amendments were offered.

TREASURER'S REPORT:

The Treasurer and the President will meet to prepare a recap of all expenses to date.

ALTAMIRA:

Bergman, Seedman and London have settled their dispute with us and Lumpkin is in the process of settlement.

Ms. Walta has joined three lenders with mortgages on Altamira properties into the lawsuit. In addition she has prepared a Summary Judgement which will be filed next week. A status conference on the lawsuit will be held before Judge James Hall on July 12 and the trial should be held in mid August. Presently 14 homeowners have settled and 17 are in the lawsuit.

Peter Ives has asked for payment. Mr. Stanton has requested that he first go to the insurance company for monies owned him for work related to the lawsuit and the insurance company has approved interim funding for this matter. We do owe him some fees for non-Altamira related matters.

ANNEXATION:

The Kachina Hills settlement has been completed and recorded. They are now full members of EPCSA.

Mary Lawton expressed the need to more properly define the distinction between an "owner" and a "merchant builder" in the up-coming settlement agreements. Using the Kachina Hills settlement as a guide, the "rights of ownership" would come with the transfer of title and the payment of the \$500 assessment on each lot. Mary Walta pointed out that under the existing Covenants and Restrictions an "owner" is anyone who holds fee simple title to a lot. In addition, to hold "membership" in EPCSA one needs only to be an "owner". Therefore, ownership equals membership. If we are to treat a class of owners differently we must change the Covenants and Restrictions. Ms. Walta further pointed out that if any of the developers joins EPCSA without a

fight they will have the rights of owners without the need to pay the \$500 per lot transfer fee. Mr. Stanton pointed out that fear of the voting influence of the developers should have been a consideration before the annexation process was instituted as no special consideration was given them in the negotiation process. Ted Ginsberg moved and Peter Gonzalez seconded a motion stating that in the coming negotiations with the developers the establishment and collection of the \$500 transfer fee on the transfer of each lot from the developer to the homeowner should be based on the same criteria found in the Kachina Hills agreement. The motion passed. Mary Lawton opposed the motion.

Mr. Stanton informed the Board that Mr. London has sold his development to a Mr. Lockwood, with London retaining ten lots. Mary Walta related that neither London nor Lockwood have responded to the lawsuit. Consequently, she suggests we "assume them to be annexed" and send them assessment notices. However, we must be certain that a final plot plan has been recorded by the developer. Ms. Walta will determine our most appropriate action vis a vis Lockwood, probably he will be joined to the lawsuit as an interested party. London and Diker have final plot approval, to date Alexander has not submitted his plot plan. Dick Downar moved and Ted Ginsberg seconded a motion to send assessment notices to those developers who have filed final plot plans basing the assessments from the date of final plot plan approval. The motion passed.

Mary Walta is circulating agreements with Diker and Alexander based closely on the Kachina Hills agreement. The one new issue is their demand for detached guest houses. Mr. Stanton has reviewed the plot plans and has found that with a combination of boundary offset requirements and excessive grades the building footprint of most of the lots is less than a half acre. Ms. Walta indicated that this was a nonnegotiable issue with Diker. A discussion by the Board lead to the conclusion that the lots were too small to accommodate guest houses in an acceptable manor. Peter Gonzalez moved and Mary Lawton seconded a motion not to alter the Estancia Primera Architectural Guidelines in respect to the prevention of guest houses. The motion passed.

ARCHITECTURAL REVIEW BOARD:

Mary Lawton indicated that only one person has requested a copy of the revised Guidelines. The plans for the Hays house in Kachina Hills has been approved. It should be completed in July. Hays has asked that Ed Thorn be appointed to the ARB. Ted Ginsberg moved and Dick Downar seconded a motion that Ed Thorn be appointed to the ARB. The motion passed. A minor alteration to the entry of the Kaplan's house on Paseo Cresta has been approved.

INSURANCE:

We have a quote for a new Directors' and Officers' insurance policy from CHUBB; \$1,000,000 coverage with \$2,500 deductible and a \$1,950 annual premium. A Prior Acts Rider would cost \$500. Mary Lawton pointed out that we must determine if our present policy is a "Claims Made" or an "Occurrence" policy. If it is a "Claims Made" policy we must have the rider.

RECREATION CENTER:

Peter Gonzalez requested the Board's approval to spend \$500 in an attempt to find the break in the Rec. Center's outside ground level electrical circuit. It is presently dead and without it our options for lighting the parking area are very limited. In addition the existing outside lighting could be utilized. The Board approved the expenditure.

Mr. Gonzalez has had a request from a young lady who is renting the Kerr's house in Altamira, she wishes to use the facilities for the summer and is willing to pay for the privilege. She is with the Opera and would be gone no later than the second week of September. Mr. Stanton said that allowing here to use the Rec. Center might compromise our legal case, he will discuss the matter with Mary Walta.

Mr. Gonzalez presented a mid-year report on the controllable Rec. Center expenses and stated that in his opinion they will be within budget by year-end.

GROUNDS MAINTENANCE:

Dick Downar stated that the grounds contractor has been servicing the property once a week, on Monday, and will do so throughout the summer. The charge is \$500 a month, but this includes the repair of the drip irrigation system. Peter Gonzalez asked that the russian olive tree on the tennis court fence be trimmed of those branches which hang into the court compound.

ANNUAL MEETING:

Dick Downar, Peter Gonzalez, Pete Stanton and a representative of Kachina Hills need to be elected to the Board. Mary Lawton does not wish to run again. Jane Buchsbaum was not in attendance so her wishes are not known.

The EPCSA annual meeting will be held on August 12th and the budget meeting will be held on August 9th.

The meeting was adjourned at 11:00 A.M..

Respectfully submitted Peter M. Gonzalez,

Board member

**THE PORTIONS OF THESE MINUTES PERTAINING TO LITIGATION AND
CLAIMS ARE PRIVILEGED AND CONFIDENTIAL**

ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting

Date: July 11, 1995

Present: Jane Buchsbaum, Dick Downar, Theodore Ginsburg, Peter Gonzalez, John O'Brien and Peter Stanton;
Guest; Richard Culpin.

Location: Estancia Primera Recreation Center.

The meeting was called to order at 8:25 A.M. by President Peter Stanton.

MINUTES:

Peter Gonzalez and Ted Ginsburg moved and seconded a motion to approve the April minutes as corrected. The motion carried. Ted Ginsburg and Peter Gonzalez moved and seconded a motion to approve the June minutes with spelling corrections. The motion carried.

ALTAMIRA:

President Peter Stanton reported that Tablita Trust has settled for the full amount due. This is the 15th property to settle. We now also have a full settlement from Bill Lumpkins. In addition, as the Kerrs are not members in good standing, their renter can not use the Recreation Center.

ANNEXATION:

Peter Stanton reported that Jim Hays (Kochina Hills) has been billed for all assessments. All bills for the London development have been sent to their lawyer, ~~Kent~~ Sommers. There is no clarity as yet as to who owns which lots but we believe that London has retained 10 of the 24 potential home sites. Mr. Stanton reported further on Charles Diker. Tom Mills, the lawyer for Mr. Diker, informed EPCSA that Mr. Diker was upset about our discussion with him on studios and garages. However, he called to make the following offer:

Lots 10, 11 and 12 are to have only one structure. Lots 5, 6 and 7 will not have guest houses but may have studios. All other lots may have a house and a guest house. Mr. Stanton said that the Estancia Primera Board was polled by telephone and the proposal was approved.

A copy of the Mary Walta letter, as corrected, outlining the final arrangement will be attached to these minutes. Ted Ginsburg moved and Dick Downar seconded a motion to approve all changes. The motion carried. The agreement will be presented to the EPCSA membership at the Annual Meeting.

RECREATION CENTER:

Peter Gonzalez reported that the outside lighting had been vandalized. The damage, with a \$500 deductible, is insured. The vandalism took place on the night of July 3rd and fortunately did

not damage the building. He suggested mentioning in the Newsletter that the residents call 911 if they see something suspicious.

Dick Downar reported that "Landworks" will restore the drip irrigation system. Mr. Culpin offered that there are 287 plants watered by the system.

INSURANCE:

Mr. Stanton reported that we have insurance coverage through the Phoenix broker, PoP and Brown.

ANNUAL MEETING:

Mr. Stanton reported that the announcement and call to the Annual Meeting will go out on July 12. The meeting will take place on August 12 at 9:30 in the morning. Lunch will be served. A Budget Meeting will be held on August 8 at 7 in the evening. Each tract will be responsible for calling its members to assure attendance or to get their proxies.

The meeting was adjourned at 9:45 A.M.

Respectfully submitted Jane K. Buchsbaum

Secretary

**THE PORTIONS OF THESE MINUTES PERTAINING TO LITIGATION AND
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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting.

Date: August 7, 1995.

Present: Jane Buchsbaum, Dick Downar, Theodore Ginsburg, Peter Gonzalez, Mary Lawton, John O'Brien and Peter Stanton;
Guests, Richard Culpin, Al Davis and Jim Hays.

The meeting was called to order at 8:10 A.M. by President Peter Stanton.

It was moved by Ted Ginsburg and seconded by Peter Gonzalez that the minutes of the July 11 Board meeting be approved as corrected. The motion passed.

TREASURER'S REPORT:

John O'Brien, Treasurer, presented the report saying that except for unexpected maintenance costs the budget would have been right in line. There were sufficient funds to cover the added maintenance without going into the reserve. The Reserve Fund is at \$23,000 plus the Capital Assessment fund anticipated at \$3,500.

The 1996 Budget will be approximately \$5,000 lower and will be presented to the membership prior to the Annual Meeting. Richard Culpin, past President, raised 2 issues; why does the EPCSA maintain such a large net worth and will the Rec. Center be able to handle the increase in census? Mary Lawton expressed concern for lowering the budget total by \$5,000. Pete Stanton expressed his opinion that the budget is realistic. Peter Gonzalez moved to accept the proposed 1996 Budget as presented. Dick Downar seconded. The motion passed.

ALTAMIRA:

Pete Stanton reported that the EPCSA has filed a motion for dismissal. The Altamira group has 30 days to respond. EPCSA then has 15 days to respond and the next step is to go before a judge. There have been no status changes reflecting payment of dues by the homeowners since the last Board meeting.

ANNEXATION:

Mr. Stanton explained that Los Nidos is ready to sign its settlement with EPCSA. The terms of the Los Nidos settlement will be the same as those of Kachina Hills. One of the Los Nidos owners and developers, Bob Lockwood, has expressed an interest in serving on the EPCSA Board. As our regulations call for 7 Board members, Mr. Stanton expressed a need to increase to 9.

We have a verbal agreement with Charles Diker on his Los Altos development but he did not get full plat approval from the city.

We have been told that Mr. Alexander has no problem with our

standard agreement once he has final approval from the city. Mary Lawton requested that a letter be sent to Mr. Alexander regarding the debris on his property and requesting that he erect deterrents to help prevent people from driving onto the property. Richard Culpin reported that Ken Hinkus is putting posts and cables to block off his Los Vecinos property. He reminded the Board that on August 30th Los Vecinos will have another hearing before the city.

COMPLAINT:

Mr. Stanton reported on a letter received from William Lumpkins in regards to a tent on John O'Brien's rooftop. Ms. Lawton read the appropriate paragraph from the ARB Guidelines and Mr. O'Brien agreed to remove the tent.

ARCHITECTURAL REVIEW BOARD:

Ms. Lawton, Chair, reported that there have been 2 new lot approvals in Kachina Hills; lots 4 and 22. A landscaping plan has been approved in Aspen Compound. Ms. Lawton, representing the ARB asked the Board for a decision in regard to the occupancy of Lot 19 of Kachina Hill by Mr. Hays. He is living in the garage before the dwelling is completed. This is in violation of the ARB Guidelines. Mr. Stanton explained that Mr. Hays is living there to satisfy federal tax requirements. Mr. Hays spoke on his own behalf. He needed to take up residence at his new home to avoid major capital gains costs. He expressed puzzlement that this action on his part is bothering anyone. He and his wife live there quietly and have sanitary facilities. Moreover, there has been vandalism on the site and he feels his presence is needed there. He said that his house will be completed in 2 months. He reminded the Board that as a Merchant Builder he has the right to set up a trailer. Mary Lawton explained that the issue is about conforming to the rules of a community. She chastised Mr. Hays for not bringing up this problem to the ARB before taking up residence.

During the discussion Board members expressed a lack of responsibility shown by Mr. Hays by not upholding the rules of the community. Mr. Hays read from the EPCSA Covenants to remind the Board that a waiver or variance is possible. He went on to raise a concern about the EPCSA drainage contract with the city. Finally he announced the usability of the new trails he has created. Mr. Hayes was then excused from the meeting.

Ms. Lawton moved that Mr. Hays be told to desist in his occupancy in the unfinished house in a reasonable period of time. Dick Downar seconded the motion. The motion passed.

Pete Stanton explained that the purchaser of Martha Cameron's property wants assurance that the house (with a pitched roof) does meet the ARB Guidelines. We have handled this case as the Cameron house was built before the Guidelines were established. However, in the future it should be the seller's responsibility to ascertain that his or her house meets the requirements. If the EPCSA incurs any expense it should be reimbursed by the buyer.

RECREATION CENTER:

Peter Gonzalez reported that on July 14th the pool cover was

ripped with a knife, from the corner running to 2 directions. It must be replaced at a cost of \$2,000. The incident is insured, our deductible is \$500.

Peter Gonzalez said he would recommend to the Board that a permanent summer job be established to care for the building, pool and tennis court. There are sufficient funds in the proposed 1996 Budget.

INSURANCE:

Pete Stanton reported that the new EPCSA insurance went into effect on July 31. The insurance is from Chubb through the Poe & Brown brokerage.

GROUNDS:

Dick Downar reported that the contract for grounds maintenance is through October 1995.

ANNUAL MEETING AND FINANCE MEETING:

Mr. Stanton reported that we will need 51% of the membership to pass a vote or about 75 people.

There are only 2 who have not paid their dues plus 16 in Altamira. Mr. Downar asked about the feasibility of a user's fee for the Recreation Center? Mr. Stanton said this would not be enough to support the facilities as it is under utilized now.

The meeting was adjourned at 10:15 A.M..

Respectfully submitted Jane K. Buchsbaum

Secretary

**THE PORTIONS OF THESE MINUTES PERTAINING TO LITIGATION AND
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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Special Board of Directors Meeting

Date: August 14, 1995

Present: Jane Buchsbaum, Al Davis, Dick Downar, Theodore
Ginsburg, Peter Gonzalez, Larry Higbee and Peter
Stanton.

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:40 A.M.

WALTA MEMO:

Pete Stanton explained that he had heard from EPCSA attorney Mary Walta in regards to having Executive Sessions as part of our regular Board Meetings. The agendas should be clearly divided so that more sensitive issues, i.e. lawsuits, would be discussed in a more closed Executive Session at the end of each meeting if necessary.

After discussion as to how to advise the EPCSA membership of this position it was agreed to make this clear in the next newsletter by saying either "on advise of counsel" or " the new administration has decided etc.".

LOS VECINOS DEVELOPMENT:

Pete Stanton advised the Board that the City Counsel meeting to hear our appeal against the Los Vecinos Development will be held on August 30th at 7:30 P.M. He urged the Board to attend. EPCSA is part of the Northeast Neighborhood Association's appeal.

ANNUAL MEETING:

Pete Stanton asked the Board to critique the Annual Meeting. We agreed to look into the hiring of professional management for EPCSA. In talking with other organizations Mr. Stanton learned that the consensus is that they provide little service for a lot of money. And wouldn't it be worse to ask an outsider to spy on ourselves and our neighbors?

We also agree to look into the Reserve and decide whether to establish a cap at a reasonable level. However, how do we establish such a level? It had been adjusted to reduce our assessments. Should we credit each homeowner as the Reserve grows, or credit a building fund with the excess? This should be discussed with Dennis Martinez after the annual audit.

ELECTION OF OFFICERS:

The Board elected the following officers:

President, Pete Stanton
Vice President, Al Davis
Treasurer, Ted Ginsburg
Secretary, Jane Buchsbaum.

Peter Gonzalez agreed to continue to look after the Recreation Center. There was some discussion on providing the Treasurer with a computer, to be owned by the Association.

The meeting adjourned at 10:05 A.M.

Respectfully submitted Jane K. Buchsbaum

Secretary

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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting

Date: September 12, 1995

Present: Jane Buchsbaum, Theodore Ginsburg, Peter Gonzalez,
Larry Higbee and Peter Stanton.
Guests: Rich and Jean Culpin.

Location: Estancia Primera Recreation Center

The meeting was called to order at by President Pete Stanton at 8:05 A.M. Ted Ginsburg moved and Peter Gonzalez seconded a motion to approve the minutes of the August 14th meeting. The motion passed.

President Pete Stanton shared with the Board that Jim Hays of Kachina Hills was sent a letter in regard to the occupying his house before final inspection. As there have been no further complaints, Mr. Stanton views that it would not be feasible to take legal action. Moreover, the situation will clear itself before we could get a legal remedy.

TREASURER'S REPORT:

Ted Ginsburg reported, as new Treasurer, that he reviewed the O'Brien records and generally speaking, all is in order. He provided the Board with all expenses through August '95.

There are only 2 lot owners who have not paid their assessments. They have been notified, by letter, that they now owe late fees. There will be a follow-up after 10 days.

Mr. Stanton reported that the independent audit has been completed and all is fine.

ALTAMIRA:

Mr. Stanton reported that the motion was filed. Altamira got an extension until September 18th for their response. We then have 15 days to respond.

ANNEXATION:

Mr. Stanton reported that we must change the ARB Guidelines to add a paragraph on the time-lines for approval of projects. The exact language change is attached. Jane Buchsbaum move and Larry Higbee seconded a motion to approve the new language. The motion passed.

Mr. Stanton went on to say that we will be signing with Mr. Alexander and Mr London in a week. Mr. Diker still does not have final plat approval from the city.

ARCHITECTURAL REVIEW BOARD:

Mr. Stanton reported for Chairman Mary Lawton. Plans have been

submitted on Lot 20 of Los Nidos. A letter has been sent to Kachina Hills in regards to work on Sundays on Lot 22. This is not allowed under the ARB Guidelines. Mr. Hays apologized promptly.

NEW BUSINESS:

- A. We have received 86 votes at this time on increasing the number of directors. Only 4 are negative.
- B. We have asked our lawyers for an opinion about who has the responsibility for the Cumbre Vista common property.
- C. We have received a letter from Rich Culpin (attached). Mr. Stanton suggested the letter be discussed at an executive session of the Board. However, the Board decided to discuss the matter in open session. After lengthy discussion it became clear that the Culpins had made a false assumption that several developers had been selected for service on the EPCSA Board. They were assured that this was not the case.

Mr. Stanton reiterated that any property owner is eligible for Board Service. The Culpins stressed that it would be more appropriate to find persons who will be actual homeowners. Mr. Culpin stated that there is an appearance of collusion on the part of the Board. Several Board members expressed disappointment to the Culpins about the tone of their letter and the tone of their remarks. Larry Higbee said that he would do all that he could to represent the interest of the Board and all of the EPCSA homeowners, no matter which neighborhood!

Mr. Gonzalez and Mr. Ginsburg both stated that in their opinion the vote requested of the membership was to allow an expansion of the Board to a maximum of 9 members. It was not a vote to immediately expand the size of the Board. It was agreed that there was no immediate need to expand the Board and that the next annual meeting was probably the appropriate time to bring the expanded Board to the full membership.

The meeting was adjourned at 10:30 A.M.

Respectfully submitted Jane K. Buchsbaum

Secretary

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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting

Date: October 10, 1995

Present: Jane Buchsbaum, Al Davis, Dick Downar, Theodore Ginsburg, Peter Gonzalez, Larry Higbee and Peter Stanton.

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:03 A.M.

The September 12th minutes were circulated. Peter Gonzalez moved and Ted Ginsburg seconded a motion to approve the minutes. The motion passed.

TREASURE'S REPORT:

Ted Ginsburg reported that almost all assessments are paid, with the exception of a few lots i.e. Maguire and Beck. Jim Hays has paid on all his lots through the end of 1995. Any additional monies, resulting from settlements on properties sold, should be returned to Kachina Hills.

Mr. Ginsburg went on to say that the budget is up to date. There may be a rebate from Peter Ives as we had paid him approximately \$4,000 which the insurance company has now agreed to pay. Our monies will be very sufficient through the end of the year.

ALTAMIRA:

Pete Stanton reported that the hearing on the motion for summary judgement has been set for November 3rd. The trial will be in December.

Our attorney has told us that Altamira has not paid corporation fees to the state, too many sit on their Board and their meetings are illegal. Ted Ginsburg questioned the status of the liens. Pete Stanton said that we are prepared but have not yet begun the foreclosures. A proportional share of the legal fees will be added to each lien. These could be as high as \$5,000 per lien. Dick Downar asked if the Altamira Homeowner's Association should be a party to the lawsuit?

Mr. Stanton expressed a concern about a lawyer for Rich Culpin if he is deposed. He may not want Mary Walta to represent him. The Board had no objection to his having separate representation if the cost is covered by insurance. The insurance question will be determined. In any case Mary Walta, as our attorney, will be at the deposition.

ANNEXATIONS:

Mr. Stanton reported a stalemate. The current status is as follows: 1. with Alexander we have signed an agreement, he has

not responded, 2. nothing is yet signed with Los Nidos but the language has been agreed upon, 3. no response yet from Diker and he has significant problems with the city. Mary Walta has sent a letter. If nothing happens we will ask judge Herrera to move ahead.

RECREATION CENTER:

Peter Gonzalez reported that we now have a street number on the building. Jim Hays was kind enough to furnish the labor required. We need a \$500 repair to the pool's mechanical equipment before it can be opened next season. Ted Ginsburg suggested that we wait until the 1996 budget year. Mr. Gonzalez agreed to do so.

BOARD OF DIRECTOR EXPANSION:

Mr. Stanton reported that, to date, the vote for increasing the number of Board members is 86 for and 5 against. There are 147 eligible votes. A majority has voted in favor of the motion and so it has passed. The Covenants will be changed. At the suggestion of the present Board the new position will be filled at the next annual meeting. Jane Buchsbaum suggested that by that time we should have representation from all the neighborhoods.

PRIVATE MANAGEMENT COMPANY:

Larry Higbee will look into this matter for the Board.

SIZE OF THE RESERVE FUND:

Al Davis will assist Ted Ginsburg in researching the question of the appropriate size of the Association's reserve fund. We need an appraisal of the buildings and common areas as we have no idea of their present value. Larry Higbee suggested asking Matt Pendelton to assist us. We should establish a depreciation schedule and the reserve should at least cover the depreciation. Ted Ginsburg moved and Dick Downar seconded a motion to have Larry Higbee investigate the matter. The motion passed.

NEW BUSINESS:

Mr. Stanton reported that Mary Walta has sent a letter to the city in regards to the drainage issue. We have offered to help address these problems. Al Davis will assist in this matter. He reported that we have a contract with the city in regards to drainage. It requires that a report be made to the city by May first of each year and any problems must be corrected by September first. The city has until the end of September to inspect. If there is a breach the city can step in and place liens on properties.

ARCHITECTURAL REVIEW BOARD:

Mary Lawton, chairman, reported that there has been one application for approval for Lot 20 in Los Nidos. The ARB can not act on this as the agreement with Los Nidos has not been signed. This home will serve as a model. The builders have informed the ARB that full development of Los Nidos will take 5 to 6 years. Rich Culpin has received approval to build a sunscreen over his portal.

Ms. Lawton indicated that penalties for breach of the rules will be deducted from construction deposits. No schedule of penalty amounts has been set.

Mr. Stanton reported that the Casa Alegre Neighborhood Association has asked for our support in regards to a problem they face similar to the Los Vecinos issue. The Board agreed that a letter of general support was appropriate.

EXECUTIVE SESSION:

Mr. Stanton explained that based on Ms. Walta's suggestion to the Board we must have executive sessions on certain issues which are privileged information. There is nothing in our By-Laws or in state regulations which require that all Board meetings must be open. Confidentiality must be maintained on certain issues or at certain stages of a limited number of issues. The prime example is the client-attorney relationship. Al Davis moved and Jane Buchsbaum seconded a motion to establish Executive sessions at the end of each Board meeting. The motion passed.

The meeting was adjourned at 10:00 A.M.

Respectfully submitted Jane K. Buchsbaum

Secretary

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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting.

Date: November 14, 1995.

Present: Al Davis, Dick Downar, Ted Ginsburg, Peter Gonzalez,
and Peter Stanton.

Location: Estancia Primera Recreation Center

The meeting was called to order at 8:00 A.M.

Pete Gonzalez moved and Dick Downar seconded a motion asking that the minutes for the October Board meeting be approved as corrected. The motion passed.

TREASURER'S REPORT:

Ted Ginsburg reported that we are \$2,560 over budget for 1995. This is mainly the result of unbudgeted repairs made to the Recreation Center. However, we have more than enough cash available, (\$16,000 without counting the Reserve Fund).

The Treasurer presented a proposed 1996 budget. It was closely reviewed by the Board, and several revisions were made. The final 1996 budget will be presented next month for Board approval. In all likelihood the 1996 budget will be very close to 1995 actual expenses.

ALTAMIRA:

Pete Stanton reported that Judge Hall will rule on our motion for summary judgement on Friday (11/17). The trial will be in December. If the summary judgement is in our favor the trial will set the lien amounts. If it is not in our favor the trial will determine the issues.

ANNEXATIONS:

Pete Stanton reported on the present status:

1. we have a signed document with Los Nidos (London),
2. we have a signed document with Delfin Baca (Alexander),
3. the agreement with Diker should be in our attorney's hands today.

ARCHITECTURAL REVIEW BOARD:

Mary Lawton sent a letter to Kachina Hills on 11/13 indicating that work was being preformed in violation of the Covenants at Lot 22 on Sunday 11/12.

RECREATION CENTER:

Larry Higbee has obtained several bids for an appraisal of the Recreation Center. Peter Gonzalez moved and Ted Ginsburg seconded a motion that we have the property appraised by the low bidder at a cost of \$250. The motion passed.

Peter Gonzalez indicated that groups using the facility on an on-going basis may in the long run monopolize the use of the building. To preclude this he suggested to the Board that a rule be adopted preventing on-going use on weekend nights (Friday, Saturday and Sunday). The Board agreed. Mr. Gonzalez indicated that he had been lax in collecting the \$100 deposit required for the use of the Rec. Center, in the future he will make a point of obtaining the deposit. He will also prepare an instruction sheet for the users of the facility.

Mr. Gonzalez will get estimates to perform the following maintenance:

1. add shelves and one drawer to the kitchen,
2. place all of the outside lights on one or two switches,
3. move the door between the meeting room and the hallway so that the doors can be opened flush to the wall.
4. repairs to the parking lot pavement.

NEW BUSINESS:

1. The Delfin Baca (Alexander) subdivision has asked that we provide an easement, through the Recreation Center property, to access one of their retention ponds. Since an easement exists through Delfin Baca property, the Board denied the request. The Recreation Center property may be needed for future expansion.
2. The Casa Alegre Homeowners Association is appealing, to the City Council, a decision of the Planning Commission. They have asked permission to indicate that they have our support. Since the matter is of the same nature as the Los Vecinos problem the Board approved the request.

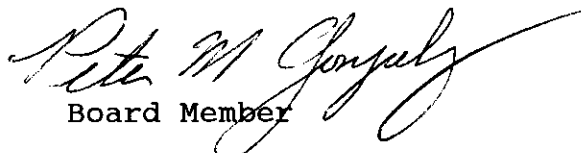
EXECUTIVE SESSION:

The Board went into executive session at 10:00 A.M.

Executive session results:

Pete Stanton will hand deliver a letter to the Berkolo's indicating that their TV dish must be removed when they vacate the property rather than upon the sale of the property. This is to insure that the dish will be removed if the property is vacant or rented. The Board has asked for a written confirmation of this agreement.

Respectfully submitted Peter M. Gonzalez


Board Member

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ESTANCIA PRIMERA COMMUNITY SERVICES ASSOCIATION

Minutes: Board of Directors Meeting.

Date: December 13, 1995.

Present: Jane Buchsbaum, Al Davis, Dick Downar, Theodore Ginsburg, Peter Gonzalez, and Peter Stanton.

Location: Estancia Primera Recreation Center.

The meeting was called to order at 10:05 A.M.

Ted Ginsburg moved and Al Davis seconded a motion to approve the minutes of the November 14, 1995 Board Meeting. The motion passed. Dick Downar passed and Ted Ginsburg seconded a motion to approve the minutes of the August, 1995 EPCSA Annual Meeting. The motion passed.

TREASURER'S REPORT:

The Treasurer reported that at year end there will be about \$16,000 in our cash account, \$28,000 in the Reserve and \$22,000 in a CD.

There was some discussion about a distribution from the Reserve Fund. It was agreed to table the discussion until the study of the appropriate size of the Reserve is completed.

Ted Ginsburg presented the revised proposed 1996 Budget (attached). He suggested keeping the dues at \$360 as the Altamira litigation is not yet settled. Pete Stanton explained that the budget will not be finalized until the Annual Meeting. This is a courtesy extended by the Board to the membership. The Covenants give the right of final budget approval to the Board of Directors. The proposed 1996 Budget will be distributed to all homeowners with their December billing.

Peter Gonzalez moved and Al Davis seconded a motion to approve the proposed 1996 Budget. The motion passed. Al Davis moved and Jane Buchsbaum seconded a motion to set the 1996 dues at \$360. The motion passed.

ALTAMIRA:

Pete Stanton reported that the trial has taken a day and a half. An additional 3 hours on the 19th should complete it. Al Davis and Ted Ginsburg agreed to attend the last session as representatives of EPCSA, as Pete Stanton will be out of town.

ANNEXATIONS:

Pete Stanton reported that agreements have been signed with all parties. However, neither Diker nor Alexander have final platt approval from the City.

ARCHITECTURAL REVIEW BOARD:

Pete Stanton reported for Chairman Mary Lawton. There are 2 sets of plans for houses in Los Nidos under review. The ARB approved a model house in Los Nidos.

RECREATION CENTER:

Peter Gonzalez reported that we do not have a "Rec. Center User" handout. We are now enforcing the \$100 damage deposit rule. If the premises are left in good condition the money is returned.

There was a brief discussion on whether to charge recurring users a small fee. It was agreed that it did not seem necessary at this time.

Peter Gonzalez is still investigating the issue of the internal doors. He will have the problem professionally analyzed.

RESERVE FUND:

The Treasurer, Ted Ginsburg, reported that there are a number of companies that have software that can help us determine the appropriate EPCSA reserves. Pete Stanton suggested contacting other associations. He assured the Board that he and Ted are seeking answers. The status of the property appraisal is not known as Larry Higbee is absent from the Board meeting.

NEW BUSINESS:

- A. Robert Berkelo has signed an agreement to the effect that he will remove the satellite dish when he moves out of his house, with no stipulation as to the house's status at that time (sold, rented or left vacant).
- B. Pete Stanton reported that Mary Walta, our attorney, has suggested that we revise our By-Laws and Covenants. They are full of references to a "Declarant" and other items which have no meaning in the existing Association. The changes are administrative and not substantive. Pete will present his suggested changes to the Board. The Board will approve the changes and then they (the Board) will present the revised documents to the membership.
- C. Jeanne Culpin reported on the messy conditions on the Alexander property. In addition, there is now an illegal road which starts on the Alexander property and comes down the hill towards the Rec. Center. She suggested that it be blocked with a rock pile or by some other method. The Board agreed and Al Davis will follow-up.

The meeting was adjourned at 12:15 P.M.

Respectfully submitted Jane K. Buchsbaum

Secretary