

CORDILLERA METROPOLITAN DISTRICT
REGULAR BOARD MEETING MINUTES
FRIDAY, FEBRUARY 16, 2018
408 CARTERVILLE ROAD, CORDILLERA, COLORADO

The Regular Meeting of the Board of Directors of the Cordillera Metropolitan District (CMD) was called and held Friday, February 16, 2018 in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE

Present: Judy McBride, President
Bob Egan, Treasurer
David Bentley, Secretary
Kitty George, Assistant Treasurer/Assistant Secretary

Via Telephone: David Davies, Vice President

ALSO PRESENT

CPOA Board Members: Ed Shriner, Michael Grier, Jerri More, Rick Smith (via phone) and Larry Brooks (via phone) joined after executive session.

OTHERS PRESENT

Rachel Oys, general manager; Alan Pogue, legal counsel. Jaime Walker, communications manager; Tracy Stowell, executive coordinator; Kirk Pliske, public safety director; Trevor Broersma, operations director and Erin McCuskey, human resource manager. Members of the public: Ron Askew, Lois Bruce, Steve Hauk and Nancy Brady joined after executive session.

CALL TO ORDER

Director McBride called to order the Regular Meeting of the Cordillera Metropolitan District at 9:02 a.m.

DECLARATION OF QUORUM/DIRECTOR QUALIFICATIONS

All board members acknowledged receiving notice of the regular meeting at least 72 hours in advance. No conflicts of interest were noted.

EXECUTIVE SESSION

9:03 a.m. Director Egan and Director George moved to enter into Executive Session. Pursuant to Section 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice regarding Grisoni offer to purchase CMD property with the intent to request county approval on vacating lot line and to receive legal advice from general counsel and special litigation counsel with respect to pending litigation filed by CSMN.

9:59 a.m. Director Bentley and Director Davies moved to conclude the Executive Session.

Present: Rachel Oys, Alan Pogue and Lisa Mickley were present for the CSMN discussion.

No action was taken in executive session.

APPROVAL OF AGENDA

February 16, 2018 Regular Meeting Agenda

Director McBride added Territory Trail access through Hardscrabble Ranch Open Space and options for the trash and recycling facility to CMD topics; the use of the lower barn for the Eagle Valley Community Rummage Sale, short-term rentals and roof construction standards for fire safety were added for CPOA discussion on the agenda. Director McBride moved to approve the February 16, 2018 Regular Meeting Agenda with the added topics. Seconded by Director Egan.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** the February 16, 2018 Regular Meeting Agenda.

APPROVAL OF CONSENT AGENDA ITEMS

December 15, 2017 Regular Meeting Minutes

Director Egan requested that the minutes reflect that the Short Course costs \$400,000 per year to operate, not \$100,000.

Director McBride moved to approve the December 15, 2017 minutes. Seconded by Director Egan.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** the December 15, 2017 Regular Meeting Minutes.

PUBLIC INPUT

Ron Askew raised the topic of access from Hardscrabble Ranch Open Space to Territory Trail. He noted that the group that he represents wants a road for seasonal access and have hired a lawyer to research historical use. The group was disappointed with the Eagle County Board of County Commissioners (BOCC) response letter to their request for consideration. He stressed that the request was made in order to increase property values in the Territory neighborhood. He requested that the CMD board ask for a meeting with the BOCC. He further requested that the CMD not void any rights to future use of the road through formal action.

Director McBride pointed out that the land on which the road exists is part of the Hardscrabble Ranch Open Space agreement which is a top priority to the BOCC. She explained even if the BOCC was to grant access, even for seasonal use, there would be significant cost to improve and maintain the road. She asked Mr. Askew if his group would be interested in a road improvement district to pay for it. She commented that CMD is not in a financial position to fund such an expensive project and the community is unlikely to approve a bond issue to fund the improvements. Alternatively, she further asserted that the value of open space also contributes to property values.

CPOA Director More asked if the road was an emergency road. To which CPOA Director Shriner explained that there is an agreement in place that allows emergency access through Diamond Star Ranch.

Steve Houk explained that he uses both the fishing rights and the Short Course frequently. He praised the new operating system with the new fishing program manager, Vail Valley Anglers, pointing out that the online booking system was a huge improvement as is the way parking passes are obtained. He would like to see a similar system with the Short Course in the summer with online tee times. He further requested that homeowners and their house guest be able to use the Course after obtaining a tag at the administration office. He noted everyone should pay for a cart.

CPOA Director Shriner shared a comment from David Staat. David and his wife are against the Hardscrabble Ranch Open Space road access.

CMD AND CPOA JOINT ITEMS

Amended 2018 CMD and CPOA Service Agreement

General Manager Oys outlined the Amended Service Agreement.

Director Egan moved to approve the Amended Service Agreement. Seconded by Director McBride.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** 2018 CMD and CPOA Service Agreement.

Community Engagement and Committees

General Manager Oys explained that in an effort to provide opportunities for community engagement, the Boards will host a monthly coffee meeting.

CPOA Shriner explained that he is willing to attend coffee meetings so community members who cannot attend a board meeting can talk with a board member. He thought it would be adequate to have one or two board members at each meeting.

Director Bentley shared that he thought the opportunity sends a great message to the community that the Boards are approachable.

CPOA Director More offered the idea that the meetings could be held at the TimberHearth where coffee is available for members; CMD/CPOA could then reimburse The Club at Cordillera for any nonmembers who attend.

To this CPOA Director Shriner explained that the CPOA and CMD have several amenities that should be used and that the Boards should not impose on Troon. He would like to see the meeting location remain the same throughout the year.

CPOA Director Shriner shared that he attended the Strategic Planning Committee meeting earlier in the week. He feels it is important for them to operate autonomously. There are several people on the committee who have strategic planning experience.

Director McBride suggested that a representative of The Club at Cordillera be invited to be on the Strategic Planning Committee as a major stakeholder in the community.

Draft Community Survey

The last community survey was completed in 2013. Last summer there were requests from community members to complete another survey. Andrej Birjulin of Confluence Research and Training, LLC. was contracted to conduct the survey because of his local experience conducting surveys for both public and private entities in the valley. Most recently he worked with EagleVail Metro District, The Terrace in Eagle, SOS Outreach and the Eagle County School District.

The objectives of survey design are to provide the Boards strategic direction for Cordillera and track changes over time as well as give the community a chance to provide feedback on amenities and services. Several drafts were vetted by the management team and the Board is currently providing feedback. A pilot version will be tested by the Strategic Planning Committee to gather their feedback before a final version is sent to the entire community around March 5. It will be open for four to five weeks depending on the response rate. A presentation of the preliminary results will be in April with the full report available in May.

Director McBride questioned if the length of time the survey will be open is too long. Andrej Birjulin responded that keeping the survey open even for a few responses helps because it represents more members of the community. The survey response rate will be monitored with reminders sent at strategic times. General Manager Oys also mentioned that past surveys needed two to three weeks for property owners to respond in sufficient numbers.

CPOA Director Smith noted that the survey is long. He asked if people were to start answering questions, then stop, could they resume where they left the survey?

This initiated a conversation about accessing the survey, if it could be on paper and the number of people per property that would be allowed to take the survey. Andrej Birjulin explained that allowing respondents to enter the survey more than once requires a unique login; however, a login may make it confusing for people who are not tech savvy. Also, logins can easily be misplaced. Logins are not necessary as responses can be filtered during the data review process. Paper submissions maybe too difficult to accurately collect the data.

CPOA Director Smith articulated reasons for allowing both spouses to complete the survey rather than restricting the survey to one response per property; he noted that spouses often disagree or have different experiences.

Director Bentley agreed noting that collecting two responses is not an additional burden and the intent is to collect as many responses as possible. He stressed that the survey is not a vote.

CPOA Director More disagreed; she thought responses should be limited to one per property explaining that one spouse would complete it more than once.

CPOA Director Grier shared a concern that there are questions about assessments that would be paid per property not per person. He questioned how meaningful the responses would be for these questions.

Other board members from both CMD and CPOA supported the option for two responses per property, particularly noting difference in opinions between spouses.

Andrej Birjulin set the goal of having a 60 percent response rate. Anything below 40 percent might not be representative of the community.

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Director McBride agreed with Director Bentley noting that people in this community are not going to respond to a \$150 gift. If it is offered in a fun way, then it might be appropriate.

Director McBride offered that the two boards should commit to calling members of the community in order to increase the response rate. CPOA Director More shared that the Strategic Planning Committee also committed to calling people to encourage participation.

General Manager Performance Evaluation Process and Timeline

CPOA Director Shriner shared the general manager review process. Each board member will have the opportunity to provide feedback on the general manager's performance and then all comments will be compiled. The two Board presidents will conduct the formal evaluation.

Management Team Report

General Manager Oys highlighted community operations use of salt for winter roads and asked Community Operations Director Trevor Broersma to discuss current practices.

Broersma explained that he researched the use of salt/cinders/magnesium chloride in other districts. Beaver Creek and Eagle County use a 10 salt percent mix; Vail uses a magnesium chloride mix. In 2017 the Metro District reduced the salt/cinder mix to 10 percent salt. This year they used a 20 percent mix which they are finding to be more effective and cost efficient. Regarding concerns of dog exposure to the salt/magnesium chloride, significant amounts would need to be ingested to for it to be lethal.

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General Manager Oys also complemented staff, particularly Tracy Stowell, on this effort. Tracy was recently promoted to Administrative Manager.

CPOA Director Shriner explained that Cordillera Spirit will be discontinued. He explained that in order for staff to run the magazine it would require a full-time position. Many of the advertisers are now advertising in other similar magazines.

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Roof Construction Standards

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Public Safety Director Kirk Pliske explained that this was already a part of the communication efforts in the healthy forest program. Insurance companies also incentivize properties to replace the roofs with other material.

Director Egan shared that he had the fire department assess his house. Due to the location on a hill and within close distance to trees, his property was still considered high risk even after mitigation.

Both Public Safety Director Pliske and CPOA Director Smith noted that the more efforts a homeowner can take to mitigate fire risk the safer the home is likely to be and perhaps the better chances of reduced insurance premiums.

Eagle County Rummage Sale

CPOA Director Shriner explained that the facility in Minturn where the Eagle Valley Community Rummage Sale was held for the last 40 years is no longer available. He proposed offering the use of the lower barn at the equestrian center for the month of July. This could be an opportunity to do something positive and get some good publicity.

Directors Egan and McBride noted that there are a lot of challenges to hosting this size of an event like parking, the number of people, security, insurance, July is a busy month in the community, impact to residents, etc.

Director Bentley agreed with Director Shriner that the publicity would be good for Cordillera.

General Manager Oys will contact Eagle Valley Community Fund, the organizers of the event.

Short-Term Rentals

CPOA Director Shriner explained that there have been a few complaints about short-term rentals. He explained that short term rentals can be a major concern for neighbors, urging the CMD and CPOA to address this for the community. He noted that renters have a tendency to be more of a drain on the infrastructure than the homeowners. Vail's short-term regulations go into effect March 1. They require a license, which has an associated charge and a sales tax could be imposed.

General Manager Oys has contacted a consulting group that tracks short-term rentals. They conducted a quick assessment and found 40 homes in Cordillera in VRBO that are regularly rented for an average of \$1,000 per night.

Director Egan asked if short-term rentals can be prohibited. To this Legal Counsel Pogue explained that rentals could be restricted in the Covenants, but they cannot be prohibited outright. However, the Metro District could implement a sales tax and licensing could be imposed.

CPOA Director Smith shared that Hawaii has regulations on VRBO and have imposed a transient accommodations tax that generates huge revenue for the state.

Director McBride noted that the next election where sales tax could be on the ballot would be in May or November. The question is whether enough sales tax could be collected to justify the expense of collection. How much goods and services could be taxed?

Legal Counsel Pogue explained that the sales tax would be on anything that is subject to Colorado sales tax. Short term rentals are a taxable event; furthermore, the Colorado Department of Revenue would need to be notified to collect the sales tax and remit it back to the District.

Directors McBride and Egan asked if the Lodge/rehab facility would be subject to the tax. To this Counsel Pogue explained that the lodging portion is taxable.

Director Bentley identified that the hurdle would be getting a sales tax to be passed by the voters.

CPOA Director Grier predicted that control of short term rentals would not come from a tax; rather, the tax should be a revenue generator.

CMD ITEMS

Hardscrabble Ranch Open Space

Legal Counsel Pogue addressed the topic of the Territory Trail access. He explained that it would be fairly easy to establish a subdistrict to fund the road improvement. Legal counsel opinion from last summer is that there is a prescriptive easement. The homeowners have historical use of the road but the Metro District does not; however, there are gaps in historical use when the road was not used at all.

Director Bentley does not want to discourage the group from seeking their own relief with the County. He asked what the CMD would do beyond what has already been done.

General Manager Oys pointed out that although the CMD has received a letter from the BOCC declining a meeting, it is worth asking again with a more personal approach.

Both Directors McBride and Egan noted that Mr. Askew mentioned a detour that goes around the Hardscrabble Ranch property, which is different from what has been asked before.

Legal Counsel Pogue pointed out the if the BOCC refuses a meeting, then the CMD could go to the BLM to request seasonal access rather than just emergency access. However, this would require further research.

Public Safety Service Model

General Manager Oys addressed the public safety service model. Homeowners have inquired about public safety services in response to the homicide in Pilgrim Downs. Additionally, CVC has requested a proposal for 24-hour coverage. Information will be brought before the Boards in March or April.

General Manager Oys, Public Safety Director Pliske and Human Resource Manager McClusky will be meeting with the Sherriff in the coming week; topics will include staff and the community training and home security information.

Several members of the management team met with the Eagle County Emergency Operations Manager and are planning a table-top exercise around a wildland fire including a mock evacuation. Ready, Set, Go will be included into the training which ties into the wildfire mitigation program for homeowners.

General Manager Oys also raised the safety concern of staff at the gates. In evaluating emergency protocols, there is an element of risk for staff at the gates. The staff are welcoming and friendly but this puts them at risk especially with an active shooter.

Director Egan noted that the roads in Cordillera are public roads and therefore we cannot keep the public from using them.

Legal Counsel Pogue explained that there is a remaining debt balance on the roads that matures in 2022. At that point the roads could be transferred to CPOA and become private. The County already considers them private. Once in CPOA control, the community would have more ability to keep the public out.

Trash and Recycling

Director Bentley acknowledged that the recycling facility is difficult to manage: contractors use it, it is difficult for homeowners to access the dumpsters, it is heavily used (by someone), etc. He shared pictures of a Boulder facility that has stairs leading to the dumpster which makes dumping trash/recycling easier and safer. He also asked if signs could be posted noting that there are cameras and warning that unauthorized use of the facility could result in denial of access to the community.

CPOA Director Grier shared that he had a similar experience at another property. Posting a sign warning of cameras seems to solve the problem.

General Manager Oys shared that she has contacted Eagle County landfill to get a quote on new dumpsters that are easier to use. Staff will talk with Boulder and with Honeywagon about retrofitting the existing dumpsters for stair access.

ADJOURNMENT

Director Egan moved to adjourn the Regular Meeting of the Cordillera Metro District. Seconded by Director McBride. Upon motion duly made and seconded, the Board unanimously agreed to **Adjourn** the Regular Meeting of the Cordillera Metro District at 2:10 p.m. Friday, February 16, 2018.

Respectfully submitted

Jaime Walker

Jaime Walker
Communications Manager

CORDILLERA PROPERTY OWNERS ASSOCIATION
REGULAR BOARD MEETING MINUTES
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The Regular Meeting of the Board of Directors of the Cordillera Property Owners Association (CPOA) was called and held Friday, February 16, 2018 in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE

Present: Ed Shriner, President
Michael Grier, Vice President
Jerri More, Assistant Treasurer/Assistant Secretary

Via phone: Larry Brooks, Secretary
Rick Smith, Treasurer

ALSO PRESENT

CMD Board Members: Judy McBride, David Davies (via telephone), Bob Egan, Kitty George, David Bentley.

OTHERS PRESENT

Rachel Oys, general manager; Alan Pogue, legal counsel; Jaime Walker, communications manager; Tracy Stowell, executive coordinator; Kirk Pliske, public safety director; Trevor Broersma, operations director and Erin McCuskey, human resource manager; Bob McDonald from OLC; John Birkey from Norris Design; Members of the public: Ron Askew, Lois Bruce, Steve Hauk and Nancy Brady.

CALL TO ORDER

Director Shriner called to order the Regular Meeting of the Cordillera Property Owners Association at 10:02 a.m.

DECLARATION OF QUORUM/DIRECTOR QUALIFICATIONS

Director Shriner noted for the record a quorum was present for the purpose of doing the business of the Cordillera Property Owners Association.

ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING AT LEAST 72 HOURS IN ADVANCEMENT OF THE MEETING.

All board members acknowledged receiving notice of the regular meeting at least 72 hours in advance. No conflicts of interest were noted.

APPROVAL OF AGENDA

February 16, 2018 Regular Meeting Agenda

Director Shriner added the use of the lower barn for the Eagle Valley Community Rummage Sale and short-term rentals to the agenda. Director More added roof construction standards for fire safety for joint discussion on the agenda. Director Grier moved to approve the February 16, 2018 Regular Meeting Agenda with the added topics. Seconded by Smith.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** the February 16, 2018 Regular Meeting Agenda with the above changes.

APPROVAL OF CONCENT AGENDA

Director Shriner requested that the minutes reflect that the Short Course costs \$400,000 per year to operate, not \$100,000, that the Short Course could become a CMD “asset” not a “liability,” and that the fishing parcel is 1.2 miles on the Eagle River not 1.5 miles.

Director More moved to approve the December 15, 2017 minutes with the changes noted above. Seconded by Director Smith.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** the December 15, 2017 Regular Meeting Minutes.

PUBLIC INPUT

Ron Askew raised the topic of access from Hardscrabble Road to Territory Trail. He noted that the group that he represents wants a road for seasonal access and have hired a lawyer to research historical use. The group was disappointed with the Eagle County Board of County Commissioners (BOCC) response letter to their request for consideration. He stressed that the request was made in order to increase property values in the Territory neighborhood. He requested that the CMD board ask for a meeting with the BOCC. He further requested that the CMD not void any rights to future use of the road through formal action.

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Director Shriner shared a comment from David Staat. David and his wife are against the Hardscrabble Ranch Open Space access.

CMD AND CPOA JOINT ITEMS

Amended 2018 CMD and CPOA Service Agreement

General Manager Oys outlined the Amended Service Agreement.

Director Smith moved to approve the Amended Service Agreement. Seconded by Director Grier.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** 2018 CMD and CPOA Service Agreement.

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CMD Directors McBride and Egan asked if the Lodge/rehab facility would be subject to the tax. To this Counsel Pogue explained that the lodging portion is taxable.

CMD Director Bentley identified that the hurdle would be getting a sales tax to be passed by the voters.

Director Grier predicted that control of short term rentals would not come from a tax; rather, the tax should be a revenue generator.

CPOA ITEMS

Healthy Forest Resolution

Legal Counsel Pogue explained that there are several resolutions that allow for the management of forest and trees on private property, one of which allows for the imposition of a fine. General Manager Oys shared that the fine schedule was updated last year.

Director Smith moved to approve the Health Forest Resolution amending the amended and restate wildfire mitigation resolution. A “Hazard Tree” shall be any species or variety of tree which is dead, substantially dead, and/or insect infested and determined to be either a wildfire fuel hazard, a safety hazard, and/or an insect infestation threat to other trees, people, or improvements. Owners are to mitigate or remove the hazard tree; if the owner does not remove the hazard tree, the Association is authorized to remove the tree and bill the owner. Seconded by Director Grier.

Upon motion duly made and seconded, the Board voted unanimously to approve the Healthy Forest Resolution. **Approved** the Healthy Forest Resolution.

Vail Gondola Club Lease

Director Shriner explained that the lease was negotiated years ago. The lease extension expires at the end of February.

Director Smith moved to notify the property owner of CPOA's intent to extend the Vail Gondola Club Lease. Seconded by Director More. Director Shriner amended the motion to authorize General Manager Rachel Oys to sign the lease.

Upon motion duly made and seconded, the Board voted unanimously to extend the Vail Gondola Club lease. **Approved** the Vail Gondola Club Lease Effective August 2018.

Short Course Ponds and Water Feature Repairs

Director Smith moved to spend up to \$350,000 to repair the Short Course ponds and water feature. Seconded by Director More.

Upon motion duly made and seconded, the board voted four to zero to approve spending \$350,000 on the Short Course ponds and water feature repair. Director Grier abstained citing his ownership in Kensington Green and his position on its home owners association board.

Approved spending \$350,000 to repair the Short Course ponds and water feature.

Trailhead Pool Assessment

General Manager Oys introduced Bob McDonald and John Birkey from Norris Design to discuss the Trailhead facility outdoor pool renovation options and associated costs. She directed the Board to provide feedback and direction that will guide further work. Decisions and a vote on the project were not expected at this time.

Community Operations Director Broersma shared that OLC assessed the facility in the late fall of 2017 including the pool safety and mechanics.

Mr. McDonald explained that during the assessment of the pool they found that there had been movement, the shell finish is flaking and rebar and plumbing is exposed, but the shell is salvageable; it does not need to be rebuilt. The baby pool is leaking severely and is not salvageable. They recommend removal and replacement. The whirlpool spa has multiple cracks in the shell and is leaking, so replacement is recommended.

He and Mr. Birkey outlined three proposals and their associated costs. Noting that option one only brings the current facility up to code.

Director More and CMD Director George asked what the current lifespan of the existing facility is and when is the repair needed.

Mr. McDonald shared that it is dependent on operations and resources needed to keep it running. Operations Director Broersma shared that his team already has repaired several problems areas and continue to patch any new problems that occur.

Director Shriner explained that the project would not be considered until 2019 as it is not in the 2018 budget. The project may require the closure of the facility for an entire summer.

Director Grier asked if there are ADA requirements. Mr. McDonald said that the hot tub needs a lift or a bench. If a zero-entry pool was built, that would satisfy the requirement.

Director More asked if there are savings for doing both option one and two simultaneously. She also asked what the expenses are for the next five years and if they exceeded or were less than the cost of doing option one. Mr. McDonald affirmed that the proposed prices were based on doing option one and two at the same time. Director Broersma explained that it would cost more to continue fixing and patching problems than doing option one.

CMD Director Bentley noted that water decks are for warm resorts. This pool is at a high elevation and in a cooler climate so this should be factored into the design.

Director Grier asked about the level of confidence in the construction estimates. To this Mr. McDonald and Mr. Birkey explained that they are fairly accurate but do not include price escalations. They have not gone to bid, but they are based on historical data and other projects.

Director Shriner would like to see the results from the survey before making a decision.

Operations Director Broersma urged a timely decision as the shell is failing which is causing the pumps to fail. His team will continue to make repairs as long as possible.

General Manager Oys explained that time is needed to do the formal design work and take the project to market for bid which could be in July or August.

EXECUTIVE SESSION

2:16 p.m. Director More moved and Director Grier seconded to enter Executive Session, pursuant to Section 38-33.3-308(4)(b), C.R.S. for the purpose of receiving legal advice from general counsel and special litigation counsel with respect to pending litigation filed by CSMN.

Director More departed at 2:43 p.m.

3:26 p.m. Director Brooks and Director Smith moved to conclude the Executive Session.

Present: Alan Pogue, Miles Buckingham and Kevin Perez.
No action was taken in executive session.

ADJOURNMENT

Director Smith moved to adjourn the Regular Meeting of the Cordillera Property Owners Association. Seconded by Director Grier.

Upon motion duly made and seconded, the Board voted unanimously to **Adjourn** the Regular Meeting of the Cordillera Property Owners Association at 2:26 p.m. Friday, February 16, 2018.

Respectfully submitted,

Jaime Walker

Jaime Walker
Communications Manager