

Draft Subject to Approval at the 2008 Annual Meeting

BLUE RIVER RUN HOMEOWNERS ASSOCIATION ANNUAL HOMEOWNERS MEETING

August 25, 2007

The Blue River Run Homeowners Association held its Annual Meeting on Saturday, August 25, 2007, in the Town Council meeting room of the Silverthorne Town Hall. Directors Pete Novembre, Mike Kelley, Nancy Allen, George Murray, Brooke Sterling and Sara Schnabel were present. The owners listed below attended or were represented by proxy. Representing Wildernd Property Management (WPM) were Barbara Walter - Director of Homeowner's Associations, Terry Bearson - Manager of Silverthorne Properties, and Karen Shramo - HOA Liaison. Mr. Kelley called the meeting to order at 10:55 a.m.

ROLL CALL AND CERTIFICATION OF PROXIES

The following owners present, or represented by proxy, fulfilled quorum requirements of 10% of the membership, as per the Declaration and Bylaws of the Association.

Owners Present:

Unit #	Owner	Unit #	Owner
100-C	Donata Hunt	111-C	Harry Daughters
100-RR	Brooke Sterling	116-C	Carolyn Andrews
101-RR	Peter & Susana Novembre	117-C	Barry Spector
101-RV	Mike & MaryKay Kelley	119-C	Kenneth Schneider & Judith Regensteiner
102-C	Jeanette Bolognia	120-M	Maurice Goldhammer
102-RR	Richard & Agnes Waterman	121-M	Francina Davis
103-C	Gary Belanger	122-M	Edwin & Kathy Whitney
104-C	Stephen and Cynthia Scholz	123-C	Nancy Allen
104-RV	George Murray	126-C	Paul & Sara Schnabel
107-C	Eden & Phyllis Wenig	139-C	Thomas & Susan Cousino
110-C	Lew & Wilma Biegelsen	1370-SV	Ronald Bower

Owners Represented by Proxy:

Unit #	Owner	Proxy To:	Unit #	Owner	Proxy To:
100-RV	Brent & Regina Osland	President	112-C	Joan & Bob McGee	President
101-M	Thomas Martin/Amy Rudd	President	112-M	Michael & Nancy Bushnell	President
102-M	Quint Bourgeois	President	114-C	Marie Crossley	President
103-M	Marian & Steve Jacobs	Francina Davis	115-M	David & Teresa Fanning	President
103-RR	Jennifer Russo	President	124-C	Wesley Knight	Sara Schnabel
103-RV	Stephen & Judith Trynosky	President	124-M	Helene Gallivan	President
106-C	Glenn & Carla Erickson	Sara Schnabel	125-M	Joan Donnelly	President
107-RV	Kay Greenburg	President	131-C	Nathan & Dana Hall	President
108-C	William Kubaska	President	1372-SV	William & Sally Ash	Ron Bower
108-RV	Thomas & Joan Kazimour	President	1374-SV	William & Sharon Kellstrom	President
109-C	Michael & Alice Epstein	Eden Wenig	1516-L	Joseph & Freda Nieters	President
109-RV	Neil & Laurie Segall	Barb Walter	1557-L	Shellie Rosser	Nancy Allen
110-RV	Larry & Joyce Hasler	President			

WELCOME AND INTRODUCTIONS

Mr. Kelley welcomed everyone to the meeting after which he introduced the members of the Board and representatives from Wildernd Property Management. An apology was expressed for the late change in the meeting location and date due to a difficulty in booking a meeting room large enough for the Association.

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APPROVAL OF MINUTES

RESOLUTION: Upon motion made, duly seconded and unanimously carried, the minutes of the August 19, 2006, Annual Meeting were approved as written.

PRESIDENT'S REPORT

Mr. Kelley reported that in the last year, the Board has continued to deal with many items related to deficient original construction. The most notable of these is the on-going roof repairs. In 2019, the HOA will be replacing roofs, causing a large deficit in the Reserve Account. Mr. Kelley recommended that owners to review the Major Maintenance Chart (MMC), which outlines large projects for 25 years at a time. In looking forward over this time period, Mr. Kelley has come to the conclusion that a dues increase each year of \$10 per unit per month will be necessary to eliminate this deficit. The other option is to levy large special assessments whenever these projects are planned. However, it was noted that special assessments have a negative impact on marketability of units.

The Board has also focused on reducing costs. Last winter, snow plowing was only done in areas that had at least 4 inches of snow accumulation. The dumpsters are now being closely monitored and are only emptied as needed. The Board also tried to cut back on watering, but due to the very low amounts of rainfall during the month of June, this was extremely difficult. By cutting back in these areas, funds were freed up to address other projects, such as the drainage problems on South Vista and having the duplexes on Rocky Run and Range View stained.

Mr. Kelley opened the floor for questions from owners. Many owners commented on the need to stain the deck surfaces on the townhomes every two years. Also the entry and garage doors that were not done at the same time as the Creek Lane and Mountain Vista buildings are in need of attention. An owner provided photos of several units on Creek Lane that have especially bad areas near the front decks. The Board thanked the owners for mentioning these items and solutions to all of them are currently being investigated. The flat surfaces of the decks on South Vista will be stained this year. If owners desire to do maintenance on their own decks, the stain is available at Sherwin Williams.

Mr. Kelley mentioned the newsletter that had recently been mailed to all owners. One item that was not included was the contact information for Terry Bearson, the Property Manager. Mr. Bearson should be contacted for any issues regarding the exterior of the project; he can be reached by calling 970-468-6025 but is generally out in the field so owners are encouraged to leave a message on his voice mail. For emergency situations, owners should contact the same number and request that the Operations office relay a message to Mr. Bearson by radio.

A duplex owner complained of the responsiveness of WPM, stating that in his opinion it is very poor. Mr. Kelley reminded the owners that the Board looked at other management companies last year and chose to stay with WPM. The Board feels that the communication and service has greatly improved in the last year. Mr. Murray pointed out that Mr. Bearson provides the Board with a monthly report via email and that Ms. Shramo is as responsive as possible. Mr. Novembre suggested that owners contact Ms. Shramo and if there is no response in a reasonable amount of time, to contact the Board who will follow up with WPM. An owner requested that the monthly reports be posted on the website and Ms. Shramo will attend to that.

MANAGEMENT REPORT

Ms. Walter thanked the owners for their comments, both positive and negative, and stated that she is encouraged by recent progress made in communication and follow-up. She explained that Ms. Shramo is the HOA Liaison for Blue River Run and as such, is the primary contact at WPM. The best way to reach Ms. Shramo is via email, but voicemail is available as well. There has been considerable turnover in Property Manager's position in the last three years, but she feels that this has changed with the hiring of Mr. Bearson. Several new positions have been added, and even though employees are still overloaded, the situation is improving. When an owner reports a maintenance problem to Mr. Bearson or Ms. Shramo, that repair need will be filtered to the Repair & Maintenance department. WPM has a weekly open work order meeting and is pursuing a better work order tracking system.

Several pieces of information were made available to all owners attending the meeting, including a homeowner contact list, VIP cards and brochure (which entitles owners to receive discounts at various restaurants and

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businesses in the area), and discounted rates for the Raven Golf Course. The owners were reminded to utilize the HOA website, which is a primary communication tool between the management company and the HOA. The website also is used to meet many of the legal requirements of Senate Bill 100 which was signed into law last year. Senate Bill 89 was also passed this year to clarify and adjust some of the requirements of SB100.

FINANCIAL REPORT

Balance Sheet

Ms. Allen reported that the Assets for the period ending July 31, 2007, were significantly improved over last year. This was due to last year's dues increase, as well as good fund management. The assets total \$123,213.87, and liabilities total \$18,672.28, resulting in equity of \$104,541.59. The Balance Sheet also reflects that there are no significant dues amounts in arrears.

Income Statement

There have been some large expenses, but everything is moving in the right direction. Items of note include:

- Due to aggressive negotiating by Tony Snyder, there is a \$4800 positive variance in insurance costs.
- There is currently a \$6400 positive variance in water and sewer, but because this bill is accrued quarterly, it could change.
- There is a \$1200 negative variance in trash removal. The Board is confident that this will even out by year-end because of the new trash procedures.
- Snow removal shows a \$4200 positive variance. Due to the unpredictability of this line item, there is often an under run that can be used toward other projects.
- The line item for Security and Fire was used toward backflow system inspections.
- Variances in the Landscaping line item are often due to the timing of paying bills.
- Several unbudgeted repairs have been authorized in the last month that will use much of the excess funds.

The Reserve account is used to pay for large projects, and major repairs, such as staining, roof replacement/repairs and asphalt replacement.

Budget

The 2007-2008 budget proposal was reviewed. This budget has been approved by the Board and must be ratified by the membership. It includes a \$10 per unit per month dues increase for the townhomes and duplexes with 100% contributed to the Reserve Account.

An owner brought up the idea of allocating dues based on the square footage of a unit. The Board has researched this option, and determined that such an allocation would minimally affect the dues amounts, and therefore is not worth the considerable effort and expense that would be required to change the Declarations. Ms. Walter pointed out that most condominium associations allocate dues by square footage; townhome and duplex associations usually pay the same amount for every unit because expenses like heat and water are individually metered.

At the end of the fiscal year, a permanent transfer of all Operating profit will be made to the Reserve account.

There were two Major Maintenance Charts included in the meeting packet; one that has no yearly dues increase, and one that has a \$10 per unit per month annual increase built in. Inflation is taken into account, but many projects are still difficult to plan for.

RESOLUTION: Upon motion made, duly seconded and approved by the majority of the membership present and represented by proxy, the 2007-2008 budget with the dues increase to the townhomes and duplex units was ratified.

OTHER BUSINESS/HOMEOWNER QUESTIONS AND CONCERNS

Tree Removal

Recently there were trees removed from the land behind Blue River Run and damage was done to Association property. Mr. Novembre, Mr. Murray, and Mr. Kelley met with Bill Linfield of the Town of Silverthorne to assess

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the damage to the sidewalk and grass. They felt that Mr. Linfield's response was positive and that the Association will be reimbursed for repairs.

Landscaping

An owner expressed concern at the state of the flowerbed at the entrance to Creek Lane, saying it was "shabby", and did not appear to have received attention all summer. Ms. Davis explained that since there is not money in the budget for much landscape maintenance, maintenance of the common area flower beds is done by homeowners, mostly Board members, who volunteer their time. In order to start working on the flowerbeds earlier in the season, either more volunteers are needed, or an amount can be added to the budget.

The lawn sprinkler system is inspected three times per year. If a leak is noted by an owner, it should be reported to Ms. Shramo or Mr. Bearson, who will report it to Rocky Top, the landscaping maintenance contractor. The contract makes provision for blue grass to be cut 13 times during the year and for native grass to be cut 6 times. In an effort to conserve water and keep costs down, the grass suffered during the beginning of the summer. Ms. Davis will check into repairing damaged areas next year.

Foundation Settling

Several owners on Creek Lane are concerned with erosion and settling at the front entrances to their units, resulting in tile in the entryways of some units cracking. This issue will be investigated by the Board.

Snow Removal

An owner on Mountain Vista reported that the snow removal this year was very inconsistent and not as good as in previous years. There was a problem with ice that had never occurred before. At times there would be two to two-and-a-half feet of snow in front of the garage and walkways. Mr. Kelley re-iterated the changes in snow removal policy that were put into place last winter but assured the owners that efforts will continue to provide the appropriate level of service while still working within the budget.

Mailboxes

An owner who is interested in having more mailboxes added on the property asked if there were any owners present that would also be interested. There are currently only four names on the list of interested owners, and 10 – 16 are needed for another set of boxes to be installed. The Board mentioned that those 4 owners could share the cost up front, with the hope of being reimbursed by interested owners later. This information will be added to the next newsletter and also posted on the website.

Lighting

It was recently pointed out to the Board that the bulbs being used in front porch lights do not meet the Town of Silverthorne lighting restrictions related to light pollution levels. The necessary bulbs, one brand of which is called "Night Sky", can be purchased at Big Horn Design Center in Silverthorne. A Blue River Run discount will be given by asking for Carla Erickson.

The assembled owners thanked the Board of Directors for their hard work, dedication, and commitment to the HOA.

ELECTION OF DIRECTORS

There are four terms expiring this year, and although Ms. Davis expressed her willingness to serve again, Mr. Murray and Ms. Schnabel requested others volunteer. Ms. Sterling was not in attendance at the meeting to voice her intentions.

The Board meets quarterly and conference calling is available for out-of-town owners that cannot attend a meeting in person. Barry Spector and Ken Schneider were nominated, and expressed their willingness to serve, and Donata Hunt volunteered to serve as well.

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RESOLUTION: Upon motion made, duly seconded and unanimously approved, the slate of nominees was elected to serve three-year terms on the Board of Directors.

The Board will meet briefly immediately following the Annual Meeting to elect officers.

NEXT MEETING

The next Annual Meeting will be held on August 16, 2008. There will be a social hour with refreshments beginning at 9:00 a.m. with the Annual Meeting to follow at 10:00 a.m. The location of the meeting will be the Town of Silverthorne Town Council Meeting Room if it is available.

ADJOURNMENT

The meeting was adjourned at 1:10 p.m.