

WHISPERING PINES RANCH

HOMEOWNERS' ASSOCIATION

ANNUAL MEETING

October 21, 2006

Revised and Official

The regularly scheduled Annual Meeting of the Whispering Pines Ranch Homeowners' Association was held on Saturday, October 21, 2006, in the Keystone Center. The meeting was called to order at 9:10 A.M.

ROLL CALL

Pursuant to the Bylaws, the representation of twenty percent (30 units) is required to constitute a quorum. The unit owners noted below fulfilled said requirement:

| <u>UNIT</u> | <u>OWNERS PRESENT</u> | <u>UNIT#</u> | <u>OWNERS REPRESENTED BY PROXY</u> |
|-------------|-----------------------|--------------|------------------------------------|
| 17 RT | Denise Harrison | 10 RT | Scott/Marcia Lavie |
| 18 BC | Ed Ladwig | 15 HC | Caleb/Karen Harsch |
| 19 RT | Linda Shannon-Hills | 22 SV | Charles Fisher |
| 20 MC | Walt Grande | 24 RT | Jennie March-Alue Trust |
| 21 LG | Fisher/Loth | 20 MD | Jean Galka |
| 22 LC | Renee Apfelbeck | 25 LC | MG Whitmire |
| 41 LC | Ted Sokolis | 40 LC | Gunther/Brenner |
| 44 SV | Renee Apfelbeck | 40 MD | Jean Galka |
| 45 HC | John Loper | 44 LC | Robert Foth |
| 25 SP | Kurt Peoples | 27 BC | Lynn/Charlotte Springer |
| 27 MC | Jeff Kneller | 27 HT | Mitchell/Shirley Fox |
| 70 CV | Dave Hammer | 35 MC | Jerry Jones |
| 53 HC | Britt Dimmitt | 38 SV | Salome/Robert Vesco |
| 33 GP | Britt Dimmitt | 58 SP | Jean Galka |
| | | 60 MD | Jean Galka |
| | | 61 SV | Asterios/Asimina Ginis |
| | | 67 HC | Kevin Winters |
| | | 75 SP | Pisces Builders |
| | | 85 CV | Stephen/Elizabeth Gunther |

Present from Wilderrest [WPM] were Audrey Taylor, HOA Liaison and James VanMatre, Property Manager

Proof of notice of meeting was noted.

APPROVAL OF MINUTES

RESOLUTION: UPON MOTION MADE, DULY SECONDED AND PASSED UNANIMOUSLY, THE MINUTES OF THE OCTOBER 22, 2005, ANNUAL MEETING WERE APPROVED AS WRITTEN.

REPORT OF PRESIDENT

Walt Grande reported that:

- Architectural control has been significantly improved. The committee was reduced to one architect, per the Bylaws, and the procedures have been streamlined. The changes seem to be working well.
- Currently there are no mailboxes available on-site. The postal service is requiring that the “back area” of the community have 50% build-out before consideration will be given to delivery at the second site, the area between Sage View and Snow Peak. It is not thought that consideration should be given to expanding the number of boxes at the front entrance, but rather, open the second location as soon as possible. The numbers indicate that the HOA is short by 5 lots in the “back location” [Blocks 13, 14, 15, 16, 17, 18] to accommodate an additional stop on the route.
- Soda Creek requested permission to locate their banks of mailboxes to the area that Whispering Pines Ranch uses for mailboxes. The request was denied.
- If the weather isn’t conducive for paving the area under the mailboxes this fall [HOA expense], the Developer, Dave Hammer, agreed to add gravel in this area prior to winter.
- Noxious weeds continue to plague the community. In response to the County’s criticism and oversight, it was noted that it is the owner’s responsibility to keep their property weed free. Therefore, it was decided that the HOA will assume responsibility for ensuring that attempts will be made to eradicate noxious weeds in all areas. A general notice will be given/posted in the spring, after which, problematic areas [evidence of noxious weeds] will be sprayed; owners will be invoiced. [*The County won’t release escrowed landscaping monies if noxious weeds are in the area, regardless if the weed area is on the property looking for approval or not.]
- The HOA assumes the same position in the battle against pine beetles as with noxious weeds. A short notice will be given/posted, after which, the trees will be sprayed/taken down and owners will be invoiced. Luckily, the HOA has more fir trees than pine; it is hoped that WPR will be less affected by pine beetle than the rest of the County. Some money has been budgeted for tree replacement.
- Three plans for the Open Space have been drawn and presented to the membership. Some funds have been allocated to development of said space. The Board will continue to work with the Open Space Committee to move through the necessary steps required to develop plans for the formation of the area. The HOA will be encouraged to continue to develop the specifics of the park.
- The Board attempted to draft a few basic, communal living rules in response to heavy owner complaints. Complaints have been the most vehement regarding neighbors living in a house without a Certificate of Occupancy, trailers and work equipment/supplies outside the residence and businesses that require supply deliveries and employee check ins being operated within the community. **All were reminded that expenses for measures taken to bring owners into compliance are at the expense of the offending owner.**
- It was agreed to switch trash collection vendors to Waste Management for a savings of \$1/month/household. The change will occur at the end of the current contract, January. More information will be forthcoming. The service will be a once per week pick-up with every other week recycling. [Recycling no longer needs to be separated.] Owners who purchased their trashcans are to continue to use those containers. If an owner does not own a container, Waste Management will furnish the receptacle at no charge to the owner.

REPORT OF MANAGEMENT

Wilderness Property Management

WPM’s basic responsibilities are: accounting, meetings, administrative needs, property management [on-call] and negotiating. Rules enforcement is on an on-call basis, i.e., the owner must call WPM, Audrey Taylor, to register a problem or need. Upon notification, the Board will be contacted for direction.

VIP cards are available to owners – they qualify the holder for various discounts around the County. [Diamond Vogel paint recently offered a substantial discount to Wilderndest owners.]

The Wilderndest/Whispering Pines Ranch liaison is Audrey Taylor, 468 6291 ext 217. Owners are encouraged to contact her with their questions or needs.

Wilderndest’s size accounts for its strong negotiating position on behalf of the Wilderndest-managed associations. Currently, WPM manages 63 homeowner associations and approximately 3,500 units, and continues to net substantial savings. For example:

- Trash is approximately 55% off local rack rates.
- All Wilderndest-managed associations’ bank accounts are held separately and are given a preferred rate on each account.
- Insurance premium rates are far superior to the competitors.

Wilderndest opened a carpet-cleaning department. All are encouraged to call 970 468 6291 ext 250 to schedule a carpet clean or for more information.

The owners were reminded that their website posts the financials, the minutes, rules and other Association related items. Senate Bill 100/89 compliance is also handled through the website. Notices of importance to the membership are posted on the website. The address is: wilderndesthoa.com. It is hoped that owners will supply their email addresses so that the HOA can take advantage of broadcast emails. **Please email taylora@wilderndest.com with your email address [and name of HOA, physical address and name].**

SENATE BILL 100/89 POLICIES

ADOPTION/AMENDMENT OF PROCEDURES

Any existing procedure may be amended or new procedure may be adopted by a vote of the Board of Directors at any scheduled Board meeting after being drafted and submitted to the membership for review and comment at least thirty [30] days prior to adoption.

BOARD MEMBER CONFLICT OF INTEREST

Board members must declare any conflict of interest [defined as financial gain to Board member or parent, grandparent, spouse, child, sibling of Board member or spouse of any of those persons] in an open meeting. Though said Board member is prohibited from voting on any issue when such conflict exists, he may participate in discussions prior to the vote. Any contract entered into in violation of this requirement is void.

EXAMINATION OF ASSOCIATION RECORDS

Any member of the Association may contact the management company and have access during normal business hours to relevant, requested records within a reasonable length of time. Copies will be provided at a charge per statute.

COLLECTION POLICY

All owners have an automatic bank draft payment option for payment of dues assessments, which are due the 1st day of the month. Whispering Pines Ranch dues are paid once per year. If payment is not received by the 15th of the month, the owner is notified in writing with a past due statement. Any owner delinquent in the payment of monthly dues or special assessments shall be assessed the following fees and penalties:

- After 30 days: Payment of a \$20.00 late fee for each 30-day period.
- After 60 days: Filing of a lien against the Unit.
- After 90 days: Pursue legal action, including foreclosure, per the Board's directive.

A payment of less than the full amount owed to the Association shall be applied to pay the following [if applicable] in the order listed, from oldest to most recent in each category:

1. Attorney fees and costs incurred by the Association and for which the Owner is responsible pursuant to all governing documents and Colorado law;
2. Fines, late charges or other monetary charges or penalties;
3. Past due Special Assessments;
4. Past due installments of Regular Assessments;
5. Current Special Assessments; and
6. Current payment for Regular Assessment [s].

CONDUCT OF MEETINGS

- All Regular and Special Meetings, Executive Committee and Committee Meetings of the Association are open to the membership;
- Notice of any unit owner meetings will be physically posted in a conspicuous place, if feasible, in addition to any electronic postings or mail notices that are given.
- The Association will use electronic means of giving notice of unit owner meetings. If electronic means are available, the Association will email meeting notice to unit owners who request it and provide the Association with their email addresses.
- The Board will allow a unit owner to comment but not participate in deliberations prior to its taking formal action on an item under consideration; however, the Board may place reasonable time restrictions on the person speaking.
- Votes for Board members at Annual Meetings will be taken by secret ballot. If requested by an Owner, secret ballots will be used for a vote on any other matter on which all unit owners are entitled to vote. Ballots will be counted by a neutral third party or by a unit Owner present at the meeting who is not a candidate who was chosen from a pool of such owners.
- Proxies are not valid if obtained through fraud. The Association may reject votes, ballots, or proxies, if the person tabulating votes has reasonable basis to doubt their validity. The person who rejects a vote, ballot, or proxy is not subject to damages. All actions of the Association regarding such rejections are valid unless a court determines otherwise.

ENFORCEMENT OF COVENANTS

The Association has a written policy for enforcement of architectural guidelines, rules, covenants and policies. Violations will be issued according to the same. Owners have a right to appeal by registering a

written complaint. Owners will be afforded a hearing before the Board of Directors. After discussion of the appeal, the Board will vote to uphold or rescind the original decision.

Enforcement

| | |
|--------------------------------|-------------------------------------|
| 1 st Offense | Warning |
| 2 nd Offense | \$50 |
| 3 rd Offense | \$100 |
| 4 th and Subsequent | \$200 plus referral to HOA attorney |

INVESTMENT OF RESERVE FUNDS

The Association will:

- Follow standard accounting practices;
- Hold Reserve funds separately;
- Invest Reserve funds in conservative accounts; and
- Deposit the majority of funds in fully insured accounts.

RESOLUTION: UPON MOTION MADE, DULY SECONDED AND PASSED UNANIMOUSLY, IT WAS RESOLVED TO RESTATE THE WHISPERING PINES RANCH OPERATIONAL POLICIES PER COLORADO STATUTE.

The following rules were established and included in the meeting packet. Owners were encouraged to contact the Board if they had comment.

Whispering Pines Ranch Rules and Regulations

Enforcement

| | |
|--------------------------------|-------------------------------------|
| 1 st Offense | Warning |
| 2 nd Offense | \$50 |
| 3 rd Offense | \$100 |
| 4 th and Subsequent | \$200 plus referral to HOA attorney |

Rentals

Leases must be reviewed by the Board of Directors prior to signing. Names of all tenants must be attached as part of the lease. No additional tenants will be allowed unless approved by the Board.

Parking

No more than 4 vehicles may be kept on the driveway [outside of the garage]. No vehicles may be kept [parked] on the street or cul-de-sacs.

All vehicles must be parked in the driveway.

Vehicles are subject to immediate towing at owner's expense as follows:

- a. Vehicles that are inoperative or not properly licensed.
- b. Vehicles obstructing traffic, snow removal or trash collection.
- c. Vehicles obstructing access to another home's property.
- d. Vehicles parked in posted "No Parking" zones and by fire hydrants.
- e. Vehicles parked in landscaped areas.

All recreational vehicles must be garaged other than the unloading accommodations per 3 days at any one given time and 21 days per calendar year.

Pets

Owners who do not pick up after their pets [immediately dispose of their dog's waste] are subject to fine.

FINANCIAL CONSIDERATIONS

Walt Grande reviewed the financials. He stated that the HOA has acted conservatively. He reminded all that the entry feature has yet to be invoiced and that \$30,000 was set aside last year to develop the Open Space. [It is speculated that additional dollars will be needed for development.] The HOA has no long-term debt.

The Balance Sheet reflected that the Operating Account's balance was \$93,647.84 and the Reserve Account's balance was \$31,257.88. Operating income exceeded expenses by \$38,584.20 year-to-date.

The 2007 operating budget was based on \$272/lot/year. After discussion, it was realized that a formal Board vote had not been taken to establish the total 2007 Operating collection and the dispensation of surplus funds, i.e., whether to lower dues or to allocate the surplus \$28/lot/year to the Open Space fund. The membership present indicated its preference for allocating the surplus money to the Open Space.

The general meeting was suspended to allow a Board Meeting. After consideration, the following was resolved:

RESOLUTION: UPON MOTION MADE, DULY SECONDED AND PASSED UNANIMOUSLY, IT WAS RESOLVED TO AMEND THE BUDGET TO REFLECT KEEPING THE WHISPERING PINES RANCH DUES AT \$300/LOT/YEAR WITH \$28/LOT/YEAR ALLOCATED TO AN OPEN SPACE RESERVE AND TO LEAVE/ALLOCATE THE INTEREST EARNED ON THE RESERVE ACCOUNT [OPEN SPACE FUND] TO THE OPEN SPACE RESERVE.

FURTHER, IT WAS RESOLVED TO KEEP/TRACK THE TRASH AND MAILBOX MONIES SEPARATE FROM THE OPERATING FUND AND TO ADD A LINE ITEM FOR FINES/INCOME/NOXIOUS WEEDS.

The Board meeting adjourned and the general meeting was again called to order.

RESOLUTION: UPON MOTION MADE, DULY SECONDED AND PASSED UNANIMOUSLY,

IT WAS RESOLVED TO RATIFY THE 2007 BUDGET AS PRESENTED BY THE BOARD OF DIRECTORS.

REPORT OF THE DEVELOPER

Dave Hammer offered an apology that the entry feature lighting has not been finished. He stated that the sign will be finished this fall. He noted:

- The entry sign invoice to the HOA will be less than expected. [The HOA is paying 2/3 of the cost of the feature.] The County required a slightly smaller version of the sign in order to avoid a variance; therefore, the HOA's cost was reduced to approximately \$12,000.
- The new street, Mule Deer, has been approved for road base.
- Snow Peak [and the mailboxes] are scheduled for paving this fall; if this proves to not be possible, then Whispering Pines Ranch will be first on the list for next spring.
- WPR is a County subdivision which translates into lower taxes.
- WPR has enjoyed one of the fastest, if not the fastest, increase in property values this year.
- There are three lots on Mule Deer still available for sale.
- The intention is to incorporate Telluride into the HOA this winter; it is anticipated that Telluride will be paved in '09.
- The end of Declarant Control is predicated upon lot sales and anticipated within the next 6 months.
- At the end of Declarant Control, the **entire** Board of Directors will be dissolved. A newly elected Board will be seated. All owners are eligible to stand for election. Dave Hammer stated that he would prefer to be restated to the Board until WPR is at build-out.
- Attempts will be made to accommodate the HOA with formation of the "park" to the level of "what is reasonable".

REPAIR AND MAINTENANCE CONSIDERATIONS

Complaints were aired regarding dogs off leash. All are reminded that the dog owner is responsible for waste removal. The membership present was reminded that the standard approach for animal complaints is to call animal control. The signature of the complainant is required for Animal Control to take action.

Question was raised as to the ditch maintenance. Reminder was made that the ditches are a County responsibility; the Board continues to fight to not assume the County's responsibilities.

Suggestion was made that the HOA assume responsibility for the roads. It was noted that the County does respond to numerous owner complaints; therefore, the owners should record their dissatisfaction with the condition of the road [s]/maintenance standards with the County.

All were reminded that:

- **If a dog is in residence, a fence or barrier is required.**
- **All trash must be placed in trash containers.**

ELECTION OF DIRECTORS

John Loper announced that he was resigning from the Board. There were no volunteers to serve.

RESOLUTION: UPON MOTION MADE, DULY SECONDED AND PASSED UNANIMOUSLY, IT WAS RESOLVED TO LEAVE THE POSITION UNFILLED UNTIL THE BOARD RECRUITS A MEMBER.

John Loper was thanked for his service to the Association.

OTHER MATTERS

Suggestion was made that:

- Determination be made if the Open Space is public or private.
- Guidelines be issued for outdoor play equipment/structures.
- Rules should be further established regarding snowmobiles.
- Strong consideration be given to alternate methods of noxious weed control rather than spraying.
- Formation of landscaping committee. Suggestion was made to solicit a chairman from the membership.
- Combining Spring Fling with Landscaping/Community Day.

The membership present was asked if the newsletter was enjoyed. Response indicated that the members did read and enjoy the newsletter and would prefer that it be continued.

It was noted that the Board was asked to fund production of the newsletter; at the time of the Annual Meeting, no decision had been reached. Of concern was that if the HOA funded/participated in the funding of the letter, did that inherently bring liability for the content of the same? Therefore, would the Board have to approve the content prior to publication and would the letter be viewed as an arm of the HOA? At the time of the meeting, no decision had been reached.

The 2007 Annual Meeting was scheduled for October 20, at 9:00 A.M.

ADJOURNMENT

The meeting adjourned at 12:35 P.M.

WHISPERING PINES RANCH BOARD OF DIRECTORS MEETING October 21, 2006

A regularly scheduled meeting of the Whispering Pines Ranch Board of Directors convened after the Annual Meeting.

The following was determined:

The Board and Officers would remain the same with the exception of John Loper's resignation.

The next Board Meeting was scheduled for Tuesday, January 9, 2007, at the WCC. The Open Space Committee will be invited to give a report. The meeting will be at 5:00 P.M.

