

**VILLAS AT PROSPECT POINT ASSOCIATION
ANNUAL MEETING
MAY 27, 2006
Frisco, Colorado**

Villas at Prospect Point Board members present were:

Rob Bullard, President, 1505/104	Tony Peterson, Vice President, 1515/203
Kevin McClain, 2 nd Vice President, 1511/206	Joe Woodrow, Treasurer, 1517/201
Scott McLean, Secretary, 1517/204	

Villas at Prospect Point homeowners present were:

Terri Lash, 1501/201	Patty and Wes Hartman, 1501/202
Jim and Arlene Dinkel, 1501/203	Gary and Marcia Valbert, 1503/102
Nancy Lee, 1503/204	Inge Levie, 1505/101
Jordan Dobrin, 1505/103	Howard Cohen, 1505/206
Sidney and Karen Rubinow, 1507/202	Jim Rice, 1507/204
Steven Perry, 1509/104	Kathy Sparks, 1509/201
Peter and Carolyn Hewett, 1509/206	Ami Doyle, 1511/104
Judy Lawten, 1511/204	James Dunn, 1511/208
James Rodkey, 1515/102	Andy McIntyre, 1515/202
Sean Cavins, 1517/102	Marshall and Sharon Constantino, 1519/101
Brenda Lloyd, 1519/102	John and Elizabeth Blackmar, 1519/203
Max Bervy, Jr., 1519/207	Thomas Hillyer, 1521/202

Prospect Point Townhomes homeowners present were:

Willem Andersen, 1504B	Eric Eckberg, 1508A
Carol Bartoletti, 1510A	Steven Somers, 1516C

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Rob Carter. Erika Krainz was recording secretary.

I. CALL TO ORDER AND ROLL CALL

Rob Bullard called the meeting to order at 10:21 a.m. With twenty-nine units represented in person and nineteen represented by proxy, a quorum was reached.

II. APPROVE PREVIOUS MEETING MINUTES

With no objections, the minutes of the August 20, 2005 Annual Meeting were accepted as presented.

III. MEMBER COMMENTS

Jordan Dobrin recognized the Board for their work on the Association's behalf.

Sidney Rubinow said he sent a letter in October 2004 about the lack of gutter on the roof over his deck. Other similar units have gutter. He received a response that there would be a gutter installed in January 2005 but it was never done. Kevin Lovett was asked to meet with him and to add this item to the next Board Meeting agenda.

Sharon Constantino mentioned a continual problem with dogs running loose. She was encouraged to contact Summit Resort Group in the future. Kevin Lovett said the owner of the dogs had been given several violation notices.

Howard Cohen said there was heat tape lying on his deck. Kevin asked owners to contact him about such issues since he does not go onto owner decks.

Nancy Lee asked if there was an avenue for owners to contact other members of the Association and suggested a periodic newsletter. Rob Bullard responded that he occasionally sends a President's letter and he would try to produce them more regularly. Owners who would like a homeowner list should contact Summit Resort Group. Owners can email Rob if they would like something included in his letter. Peter Schutz said the website would be a good vehicle for posting owner issues.

Arlene Dinkel asked Rob to include a reminder to owners in his next newsletter that sound carries through the unit walls and floors.

An owner said his unit had not been inspected in months. Rob said the Board suspended the inspections some time ago. The Board will have to negotiate with Summit Resort Group for this service as it is not included in the current management contract. John Blackmar said the hot water heater closet should be included in the inspection.

IV. PRESIDENT'S REPORT

A. Roof Extensions

Buildings 1521, 1507 and 1501 had roof extensions added on the north ends to divert drainage off the sidewalk.

B. Wild Areas

The wild areas are the areas the developer did not landscape. The wild areas were reseeded last fall; the seeding included a germination guarantee. Efforts are now focused on improving the appearance of the eastern property boundary.

C. Painting Project

The painting of all buildings was started in late September but was not completed before winter. The painters are back on site and will complete the project this spring. Owners should provide Kevin Lovett with information about any painting issues. All siding, trim, doorways, doors and rails will be painted but not the deck floors.

D. Snow Removal

Some aspects of the roof design (i.e. the flat roofs) are not ideal for this elevation and climate. There were seventeen roof leaks this winter, making it the worst year for leaks since the first year of the complex. The Board is continuing with the flat roof replacement project at a cost of \$7,000 per roof. Two of the newly replaced roofs leaked this past winter. This may have been in part a result of the decision to shovel only when there was evidence of a problem. The Board has decided to take a different approach next winter, i.e. to proactively remove snow from the roofs. Two flat roofs are scheduled for replacement this year.

E. Roads and Plowing

For the past five years all of Prospect Point was under contract for plowing with GM Services. It was a very good rate and for four years the service was great. This past winter was extremely challenging due to the heavy snowfall. New bids will be solicited for snow removal for next winter with the intent of having one service provider for the entire property. The Villas plowing budget has been increased for next year.

F. Ground Level Snow Removal

There are a number of components to the snow removal including plowing the roads and driveways, roof snow removal, and shoveling the entries, stairs and sidewalks (which is covered under the management contract). Removal of ice mounds and clearing the drainage pans in front of the garages are incrementally billed expenses. This year attempts were made to minimize the expense; the approach in the future will be more proactive.

G. Snow Removal Budget vs. Actual Expense

The snow removal budget was \$8,600 last year. In February, the Board allocated an additional \$19,000, for a total budget of \$28,000 for the year. The actual total expense was \$21,000.

H. Hot Tubs

Rob Carter has been working to remedy the problems with the hot tub boiler. Owners were asked to contact management about any issues.

I. Fiscal Year Change and Annual Meeting Move

Rob Bullard said the Board decided to change the fiscal year in order to simplify the approval process for projects, to allow for the close of the previous fiscal year before the Annual Meeting and to facilitate the budgeting process.

J. Insurance Change

About four years ago the Board voted to adopt a policy of administering insurance claim deductibles to owners. The current deductible is \$1,000. Over time, administration of this policy has become very difficult so the Board decided to

change the policy to self-insure for the deductible. This change will impact the new Operating Budget.

K. Senate Bill 100 Compliance

In accordance with Senate Bill 100, the Association had to adopt seven mandatory policies. They are being revised by the attorney and will be mailed to owners once finalized. Senate Bill 89 has been proposed in order to amend Senate Bill 100. The Legal Fees budget item had to be increased to pay for the attorney's work.

Owners must now have access to Association documents. All required documents are available on the website: www.summitresortgroup.com. The password is ppv2.

V. ELECTION OF DIRECTORS

Rob Bullard said per Senate Bill 100, all elections must be by secret ballot.

The Board seats of Tony Peterson, Scott McLean and Kevin McClain were up for election. Rob Bullard said Tony Peterson and Scott McLean had expressed their willingness to run again and he nominated both of them. Tony Peterson nominated Kevin McClain. Tom Constantino seconded the nominations. A motion was made and seconded to close nominations. The motion carried.

Secret ballots were tallied and Tony Peterson, Scott McLean and Kevin McClain were unanimously re-elected.

VI. RATIFICATION OF BUDGETS

Kevin Lovett was asked to determine if the Association uses a "fund based" or "accrual" accounting method.

Rob Bullard reviewed the Board's budgeting philosophy. The Reserve Fund is meant to fund replacement of existing assets that are deteriorating such as painting, siding and asphalt. There are also issues in the complex related to the original design such as drainage and roof leaks. These expenses are segregated so the funds cannot be retargeted for other issues. The Board recognizes that there is a need to continue to replace the flat roofs, to repair the leaks in roof valleys, and to address the ice mounds and drain pans in front of the garages. The Board will go through a prioritization process to plan the projects over the next two to five years with an annual reappraisal.

A. Reserve Plan

Rob Bullard said the Board established a list of all the Reserve items and made estimates of the average lives and replacement costs. The Board decided to take a "blended" approach, i.e. not to be fully funded. Sharon Constantino noted that the annual Reserve contribution remained constant at \$50,000; she felt there should be some increase, at least to reflect inflation. Rob acknowledged there was no

factor for inflation or for investment income. He said future Boards could certainly increase the contribution. Howard Cohen asked about bonding to fund future projects. Rob said the Board had not discussed this option and this plan did not take into consideration any type of bonding or other financing.

B. Operating Budget and Dues

Rob Bullard explained that there was no Working Capital fund established by the developer so the Board decided to carry equity in the Operating Fund to cover cash flow issues. In discussion, some owners did not feel the budget should be decreased this year, despite the completion of the "Painting Fund" assessment, since there is a significant deficit projected in 2015. Rob said given the contentiousness of last year's meeting, he felt compelled to end the assessment as discussed at the meeting. He also would be concerned about a dues increase without a specific plan for how the money would be used.

Teri Lash made a motion to ratify the 2006/2007 Operating, Reserve Fund and Drainage Remediation Budgets as presented in the packet. Nancy Lee seconded and the motion carried.

VII. NEW BUSINESS

A. Date of Annual Meeting

Nancy Lee made a motion to have the Board avoid setting the Annual Meeting on a holiday weekend. Terri Lash seconded. In discussion, John Blackmar said he preferred the holiday weekend. A motion was made and seconded to close discussion and to call the question. The motion failed to carry.

B. Email Address

The email for Rob Carter, the new Property Manager, will be: rcarter@srg.com.

VIII. SET NEXT MEETING DATE

The next Annual Meeting date will be set by the Board for about the same time next year.

IX. ADJOURNMENT

With no further business a motion was made and seconded to adjourn at 12:12 a.m.

Approved By: _____
Board Member Signature

Date: _____