

**VILLAS AT PROSPECT POINT CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
MAY 24, 2008**

I. CALL TO ORDER

The meeting was called to order at 10:05 a.m.

Board members present were:

Rob Bullard, President, 1505-104

Joseph Woodrow, Treasurer, 1517-201

Scott McLean, Member, 1517-204

Tony Peterson, Vice President, 1515-203

Kevin McClain, Member, 1511-206

Owners present were:

James & Arlene Dinkel, 1501-203

Marcia Valbert, 1503-102

Inge & Arkne Levie, 1505-101

James Dunn, 1511-208

Howard Cohen, 1505-206

Vernon Phinney, 1507-102

Henry & Kathy Sparks, 1509-201

Marshall Constantino, 1519-101

Otis & Kathy Halverson, 1519-201

Scott Morlan, 1521-204

Ami Doyle, 1511-104

Jeff Wakeford, 1511-202

Jack Cheeseman, 1519-208

Steve & Kathy Perry, 1509,104

Sean Cavins, 1517-102

Karen Rubinow, 1507-202

Margaret Bloder, 1509-102

Peter & Carol Hewett, 1509-206

John Blackmar, 1519-203

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Chris Trettel. Emma Stanbro of Summit Management Resources was recording secretary.

II. CERTIFICATION OF QUORUM

With twenty-four units represented in person and twenty-two proxies received, a quorum was reached.

III. APPROVE PREVIOUS MEETING MINUTES

Steve Perry made a motion to accept the minutes of the May 26, 2007 Annual Meeting as presented. John Blackmar seconded the motion and it carried unanimously.

IV. MEMBER COMMENTS

A homeowner noted that there is paint peeling off some of the railings. Rob Bullard asked the owner to let Kevin Lovett know the location so that it is not missed during the touch-up painting project this summer.

Kathy Sparks asked for referrals for window washing contractors. Rob Bullard stated that he would work with Kevin Lovett and supply some names of contractors in his President's letter.

John Blackmar asked if anyone had experienced problems hooking up cable television in the bedroom. He commented that the plate and wires exist but it is difficult to find where the wires connect. Rob Bullard replied that only one hook up was made active per unit. It may be necessary to contact Comcast to resolve this issue.

Jack Cheeseman stated that he had heard that following presale inspections prospective owners were being told that the railings were not up to code. Rob Bullard answered that the railings may not meet current code but they were up to the code that was in effect when the buildings were built. As such there are no requirements or plans by the Board to change the railings.

A homeowner asked if there were any plans to install broadband. Rob Bullard replied that the current contract with Comcast does not expire until 2009. As this time draws closer the Board will start to look at the available options.

James Dunn noted that there are still some concerns with surface drainage water in the garages. Rob Bullard answered that much work has been done to resolve drainage issues but there are still a few areas that will need to be worked on.

V. PRESIDENTS REPORT

Rob Bullard reported that the Board is very pleased with the current management company. The Board is spending less time on the day to day issues and has been able to focus more on strategic and long term planning. Tony Peterson was thanked for helping with the Management Agreement Extension which was recently signed.

In the past there has been a chronic problem with leaks on the flat roofs. A number of these roofs have been systematically replaced over the last few years. After the heavy snowfall this past winter a couple of the replaced flat roofs have started to leak again and a new problem has been occurring in the roof valleys. The original roofs are approaching twelve years of age; the original construction was of minimum standard and they were not designed to withstand Summit County winters. The Board will be looking at options and costs for a total roof replacement. Exact timing of this project is not yet known. The Board is not sure if this work would be completed as one project or in phases but hopes to keep and integrate the new flat roofs. Arlene Dinkel asked if the existing heat tape would be kept and suggested that the new roofs be redesigned to eliminate the valleys and provide a slope to the flat roofs. Rob Bullard replied that the Board would like to avoid the use of heat tape whenever possible, but it will probably not be feasible or affordable to redesign the roofs with no valleys or flat sections. All costs associated with the leaks, except for damage in one unit, have been paid by the Association to avoid insurance deductibles and the potential for increasing premiums.

The proposed 2008/2009 Budget includes a cost of living increase to the Operating Budget and a 6% increase to the Reserve Fund. The Drainage Remediation Fund will be closed as the majority of this work has been done. Any remaining items that fall under this category will be paid for out of the regular Operating Budget.

After roofs, the Board's next focus for this year will be insurance as there is expected to be some substantial changes and possible increases in premiums and deductibles.

VI. FINANCIAL REPORT

A. Year-to-Date Financials as of April 30, 2008

The Association ended the last fiscal year close to budget.

There is approximately \$2,000 remaining in the Drainage Remediation Fund which will be transferred into the Reserve Fund.

B. 2008/2009 Operating Budget Review

The budget as written includes a 4.1% overall increase as compared to last year. This increase is mostly due to standard inflation and the increase of the Master Association assessment. This translates to a \$6 - \$11 increase in dues per month depending on the size of the unit.

Howard Cohen asked if the Board had budgeted for utility increases, which he has heard could go up by 20% or more. Kevin Lovett replied that the utility budget has been increased 8% over last year's actuals as advised by the utility company, who forewarns the Association of upcoming increases. Jack Cheeseman suggested that electricity savings could be realized by turning the outside lights off earlier at night. Kevin Lovett replied that the lights are on a photocell and are equipped with energy efficient bulbs. He also noted that electricity came in under budget this year.

Jim Rice made a motion to ratify the Operating Budget as presented. The motion was seconded by Marshall Costantino and carried. Jim Rice made a motion to approve the increase to the Reserve Fund. Marshall Costantino seconded the motion and the motion carried.

VII. NEW BUSINESS

Vernon Phinney stated that he thought that the gutter over his roof that runs halfway over the patio was going to be extended to run the full length of the patio. Rob Bullard replied that after looking at this request the Board had decided that the design of the building does not accommodate the installation of a new gutter and it would be quickly damaged or torn down by snow and ice. There is also the risk of compromising a gas meter egress that is located above the proposed location. Rob Bullard offered to meet with the owner at his unit after the meeting to better explain the rationale. Vernon Phinney noted that the decision on this item should be communicated to the whole Association as there are other owners who have a similar situation with their gutters and patio.

Sharon Cohen asked if some money could be budgeted to improve the dumpster and recycling area, such as adding doors or enlarging the enclosure. Kevin Lovett replied that Waste Management does not want doors to be installed and they can also become a large maintenance issue. The problem in this area is due to the popularity and heavy usage of the recycling bins

which are only emptied once per week. This problem can only be solved by changing the size and configuration of the dumpster area. The Board agreed to look into this item.

Arlene Dinkel asked about the possibility of installing mail boxes and having mail delivered to the complex. Rob Bullard replied that the US Post Office will only deliver mail to rural routes and all town residents have to use post office boxes.

A homeowner asked if there were any plans to beautify the area around the utility box. It was reported that a bid to landscape this area was received but it was deemed too expensive. The Board then looked at purchasing a large fake rock to cover the box but so far this has also proved to be cost prohibitive. Landscaping rocks and a berm could be an option but at this time there is no money earmarked for this project in the budget. There are also concerns that any improvements or landscaping may be damaged by snow removal and snow storage in the winter. A homeowner stated that he may be able to obtain some free materials from the former hospital. The Board will continue to look at this item.

Jack Cheeseman noted that the concrete in his garage has suffered heavy water damage. Rob Bullard replied that there are between four and six garages that have a continual water issues and require concrete repair and replacement. Owners with this issue were asked to inform Kevin Lovett so that they can be added to the list.

VIII. ELECTION

Three of the five Board terms expired this year. All three incumbents, Tony Peterson, Kevin McClain and Scott McLean, agreed to run again. The floor was opened for nominations but there were none. Jeff Wakeford made a motion to elect the nominees by acclamation. The motion was seconded by John Blackmar and the motion carried.

IX. SET NEXT MEETING DATE

The next meeting will be held on the Saturday morning of Memorial Day weekend in 2009.

X. ADJOURNMENT

Marshall Costantino made a motion to adjourn at 11:35 a.m. The motion was seconded by John Blackmar and carried.

Approved By: _____
Board Member Signature

Date: _____