

BLUE RIVER RUN HOMEOWNERS ASSOCIATION

ANNUAL HOMEOWNERS MEETING

August 16, 2003

The Blue River Run Homeowners Association held its 2003 annual meeting on Saturday, August 16, 2003 at the Wilderndest Commercial Center. Directors Don Langmuir, Joan Donnelly, Erik von Hortenau, Pete Novembre, George Fugere, and Mike Allen were present. The owners listed below attended or were represented by proxy. Representing Wilderndest Property Management (WPM) were Barbara Walter-Director of Operations, Jo Medelman-Director of Property Management for Off Mountain Properties, and Ginger Pomeroy-HOA Liaison. President Don Langmuir called the meeting to order at 2:00 p.m.

ROLL CALL AND CERTIFICATION OF PROXIES

Ms. Walter verified that proper notice of the meeting had been given and that the following representation of owners present or represented by proxy fulfilled quorum requirements of 10% of the membership, as per the Declarations and Bylaws of The Association.

Owners Present:

Unit #	Owner	Unit #	Owner
100-RR	Brook & John Sterling	120-M	Donald Langmuir
100-C	Donata Marie Hunt	121-M	Francina Davis
101-RR	Peter Novembre	122-M	Edwin Whitney
102-RR	George & Carolyn Fugere	123-C	Michael Allen
103-RV	Stephen & Judy Trynosky	124-C	Wesley Knight
105-M	Paul & Sheri Lewis	125-M	Joan Donnelly
109-C	Nick & Donna Reuterman	126-C	Paul & Sara Schnabel
109-RV	Brenda Marshall	1368-S	Tom VanBockern
110-RV	Janice McIntyre	1372-S	William Ash
112-M	Erik von Hortenau	1374-S	Eric Young
116-C	Rick Gardner	1512-L	Joseph & Freda Nieters
116-C	Barry Spector	1516-L	Joseph & Freda Nieters
119-C	Judith Regensteiner		

Owners Represented by Proxy:*

Unit #	Owner	Proxy To:	Unit #	Owner	Proxy To:
102-M	Berry Pfeffer	Don Langmuir	112-C	Richard Montgomery	Wes Knight
103-RR	John Barnes	Don Langmuir	121-C	Robert Odien	Don Langmuir
107-C	Robert Fredrickson	Mike Reuterman	126-M	William Statz	Don Langmuir
107-M	Deborah Fleming	Don Langmuir	127-M	Vicki Mueller	Don Langmuir
108-C	William Dixon	Don Langmuir	128-C	Wendy Sheldon	Don Langmuir
110-C	Lewis Biegelsen	Don Langmuir	129-C	Ted Konnerth	Don Langmuir
111-M	Ben Mitchell	Don Langmuir	1537-L	Donald Gralin	Don Langmuir

*Of those owners submitting proxies, 12 voted in favor of the budget and none voted against it.

APPROVAL OF MINUTES

Resolution: Upon motion made, duly seconded and unanimously carried, the minutes of the June 15, 2002 Annual Meeting were approved as written.

PRESIDENT'S REPORT

President Don Langmuir thanked the owners for coming to the meeting and for the successful "Work-Day" held just prior to the meeting. The participants spent most of their time and effort on mulching around the complex's trees and shrubs; the portion of this project not finished will be completed by the Wildernest property management staff.

Mr. Langmuir reported on the following items:

- The Association has a web site at "wildernesthoa.com" (then click on "Blue River Run"). On this site owners may review information pertaining to the complex such as the meeting schedule, financials, rules and regulations, special notices, etc. Please note that the website is password protected and you may contact the BRR HOA Liaison, Ginger Pomeroy, to get that password.
- The Board is investigating the possibility of providing high-speed Internet service to the complex as a whole. An independent contractor for this service has provided a very preliminary proposal to the Board for consideration. However, this decision has been tabled until Comcast completes the installation of their upgraded service, which will enable them to provide the high-speed service before the end of this calendar year. The Board feels it would be prudent to compare the service available from both providers prior to making a decision. Mr. Langmuir further reported that Tony Snyder, General Manager of Wildernest Property Management, is finalizing a cable TV deal that will provide the owners with a deeply discounted rate for cable TV service.
- Two committees of owners, the Landscape Committee and the Architectural Review Committee, have been very active during the past year. The Landscape Committee oversees the outside contractor who provides the mowing and fertilizing of the grounds, as well as another contractor who provides plant maintenance and sprinkler system maintenance. Owners were reminded that they may install and maintain their own plantings in their front courtyard areas between driveways but that they must submit a request for such landscaping changes to the Board for approval prior to doing the work. The Architectural Review Committee must also approve any exterior change, including the installation of hot tubs, prior to the initiation of work. Owners were reminded that fences are prohibited at Blue River Run per the HOA Declarations. This issue resulted in discussion by the membership regarding the liability associated with hot tubs that are not secured by fencing. Mr. Langmuir indicated that the Board will research this concern and consider requiring the installation of locks on all hot tub covers.
- Director George Fugere reported that contrary to what owners may have been told when they purchased their BRR units, no fishing is permitted on the north side of the Blue River in the area around the complex. He emphasized that there are only two spots along the river that are accessible to owners for fishing and that he can point out these spots on a map at the end of the meeting.
- Normal maintenance for the complex is on schedule but significant funds were spent during the past year to deal with unbudgeted and unanticipated expenses associated with roof problems. In response to a question from the floor, Mr. Langmuir replied that the Board had thoroughly investigated the possibility of pursuing the Developer and original Contractors associated with inferior installation of roofs, as well as inappropriate design of the buildings. He further reported that he had attended a meeting regarding these issues with the Developer and the Developer's architects to no avail. Based upon the advice of an attorney with whom the Board consulted on

this issue, the decision was made to put forth the funds to repair the roof problems rather than spend potentially hundreds of thousands of dollars on legal and engineering fees to pursue the responsible parties. Therefore, the Board solicited evaluations from two different roofing contractors to determine the scope of problems and options to solve those problems. One gutter and heat tape trial installed last fall proved successful in solving a large portion of the ice dam buildup on the fronts of certain buildings and this remedy will be extended to other units before winter. Another proposed solution, a “yankee gutter”, will be installed on the back roof of various units to deter ice buildup and drainage onto the back decks. Other specific roof problems will be addressed individually as necessary.

- The condition of many of the concrete driveways on the property continues to be a concern. This problem was also brought to the attention of the Developer but again with no results. Although the Board feels that the driveways need to be addressed, the roof problems have been the focus of repair during this past year and will continue to be the priority before winter in order to avoid continuing interior damage from roof leaks. It is hoped that some of the proposed special assessment can contribute to the start of repairs to the most deteriorated driveways in the spring. The membership was assured that all concrete problems will be addressed in the future, as funds are available.
- The window replacement project is in progress. Mr. Langmuir reminded the owners that only the window replacements registered with the Developer and/or Wildernest are being addressed under the warranty. Although the Board attempted to negotiate coverage for both the materials and labor, the warranty only provided the new windows and the individual owners were required to pay for the labor to install the new product. The Developer also required payment up front, in addition to requiring that it be collected from individual owners and paid in bulk by the HOA.

The Board and/or Wildernest responded to questions from the floor as follows:

- Some of the roof work promised to owners has not been completed in a timely manner or completed at all as of this date. The owners were reminded that Wildernest does not perform the roof work and that outside contractors do not always perform the work per the schedule represented. However, Wildernest will be more aggressive in dealing with contractors' schedules and more communicative with owners involved.
- Owners may contract and pay individually for remedies such as additional gutters and heat tape but these items must be approved by the Architectural Review Committee. However, owners were encouraged to put their unaddressed roof problems in writing and leave that information with a Board member following the meeting; the information will be evaluated and possibly addressed within the next few months. It was emphasized that not all roof issues can be addressed before winter, but the problems will be prioritized based on potential for causing further damage to the buildings and/or unit interiors. The Board appreciates the owners' previous and future patience while all issues are addressed.
- The Board is aware of the unsightliness of the builder's construction trailer and debris that is still on site and is working with the Developer to have these items removed and the area cleaned up.
- Wildernest will respond in writing in a timelier manner to all architectural requests from owners.

FINANCIAL REPORT

Balance Sheet and Year to Date Income Statements – Ms. Walter gave a line item presentation of the financial report noting that as of July 31, 2003, assets totaled \$77,426.00 and are held primarily in the Operating Accounts. It was noted that the balance in the Operating Accounts has

decreased significantly compared to the same time last year because of the excessive funds spent on addressing roof issues. Most dues owed were for the current month, but collection policies are being pursued diligently to collect all amounts now delinquent. Equity as of July 31, 2003 was \$47,968.78.

Budget Proposal – Ms. Walter explained the ratification process, noting that the Board had approved a budget proposal that was then sent to owners for review in the meeting packets. She further explained the budget proposal in detail. Although there is no dues increase proposed, she clarified that the proposal does include a special assessment totaling \$1500.00 per unit to be paid over the course of three years. After discussion, the Board further clarified that the first \$500.00 payment of the special assessment would need to be collected by September 30, 2003, in order to have funds available for necessary roof repairs before winter. The second installment of the total assessment will then be due by April 1, 2004, and will be used to address the remaining roof issues, as well as the first concrete driveway replacements/repairs. The owners were reminded that the full \$1500.00 special assessment can be paid in a single payment and that the two future payments will be documented and carried as a balance on the unit's account.

Resolution: Upon motion made by Wesley Knight, seconded by George Murray, and carried with three nay, the assessment of \$500.00 per unit due by September 30, 2003, was approved by the membership.

Resolution: Upon motion made by Carolyn Fugere, seconded by Harry Spector, and carried with one nay, the budget for the fiscal year beginning October 1, 2003, which includes an assessment of \$500.00 per unit due by April 1, 2004, was ratified by the membership.

MAJOR MAINTENANCE CHART (MMC) – Ms. Walter next presented the current MMC, stressing that the chart is a planning tool used by the Board to plan for major capital expenses. It is, therefore, constantly under review and modified based upon needs and current decisions. The current chart as presented at the meeting will have to be modified based upon decisions regarding the ratified special assessments. Ms. Walter pointed out that the exterior staining of the duplexes on Range View and Rocky Run will be completed before winter but that the staining of South Vista will be done next summer. She further noted that the numbers for driveway repair/replacement in the years 2004 and 2005 are very rough estimates and will be adjusted after receiving bids for specific work next spring. It was also noted that even with the funds from the approved \$1500.00 special assessment, negative balances will still be evident in a few years and will need to be addressed.

MANAGEMENT REPORT

Ms. Walter referenced several handouts in the meeting packets, including Rules and Regulations (R&R), the current HOA list, and a list of management services. She noted that WPM also maintains the HOA's web site and all owners were encouraged to check the site frequently. She also re-emphasized that Wilderrest is committed to providing quality service to the property and will work diligently to address the issues and complaints voiced by the owners.

Jo Medelman, Director of Property Management for Off Mountain Properties, encouraged all owners to quickly call her with any problems; she can be reached at 970-468-6025, ext. 249. One owner complimented Ms. Medelman on her handling of issues related to the maintenance of her unit.

ELECTION OF DIRECTORS

Mr. Langmuir noted that the terms for Directors Pete Novembre and Joan Donnelly were expiring. He stressed that Directors needed to be willing to take an active role on the Board, and that much business discussion was held via email communications. Mr. Langmuir announced that Mr. Novembre was willing to remain on the Board and the floor was subsequently opened to nominations. Owners Pete Novembre, Judy Trynosky, Nathan Colburn and Francine Davis were nominated and/or volunteered to be members of the Board. After discussion regarding how to fit four nominees/volunteers into only two designated Board vacancies, it was decided to elect two of the owners as full time Board members and the remaining two as alternate Board members.

RESOLUTION: Upon motion made, duly seconded, and unanimously carried, the membership elected Pete Novembre, Judy Trynosky, Nathan Colburn and Francine Davis to the Board; the current Board members will determine which two owners will be full time members and which two will be alternate members.

NEXT ANNUAL MEETING DATE

The Board will set the date for the next annual meeting and will advise the membership via the website and mail.

ADJOURNMENT

The meeting adjourned at 4:30 p.m.