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BLUE RIVER RUN HOMEOWNERS ASSOCIATION

ANNUAL HOMEOWNERS MEETING

August 19, 2006

The Blue River Run Homeowners Association held its Annual Meeting on Saturday, August 19, 2006 in the conference room of the Wildernest Commercial Center. 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 Wildernest Property Management (WPM) were Barbara Walter-Director of Operations, Daniel Vlcek-Manager of Silverthorne Properties, and Corrine Bair-HOA Liaison. President Novembre called the meeting to order at 10:05 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-RR	Brooke Sterling	120-M	Susan Goldhammer
101-RR	Peter & Susana Novembre	122-M	Edwin & Kathy Whitney
101-RV	Mike & MaryKay Kelley	123-C	Nancy Allen
102-RR	Richard & Agnes Waterman	124-C	Wesley Knight
103-M	Marian Jacobs	125-M	Joan G. Donnelly
104-RV	George Murray	126-C	Paul & Sara Schnabel
105-M	Chris T. Hamlin	128-C	Polly Koch
105-RV	Ann Hamilton	1372-S	William & Sally Ash
107-C	Eden & Phyllis Wenig	1374-S	William/Sharon Kellstrom
108-C	Bill Kubaska	139-C	Thomas Cousino
109-RV	Laurie Segall	1508-L	Donald Kennen
110-C	Lew Biegelsen	1512-L	John Bowyer
116-C	Carolyn Andrews	1521-L	Kevin Laclede
119-C	Kenneth Schneider		

Owners Represented by Proxy:

Unit #	Owner	Proxy To:	Unit #	Owner	Proxy To:
100-M	Edward/Kathryn Wickham	President	127-C	M. Baker/S. Johnson	President
101-M	Thomas Martin/Amy Rudd	President	127-M	Mike/Vicki Mueller	President
102-C	Jeanette Bologna	President	135-C	Kenneth/Andrea Cohen	Tom Cousino
103-C	Gary K. Belanger	President	1366-S	Reggie/Sarah Golden	No Designation
103-RR	Jennifer Russo	President	1505-L	Stuart Bower	No Designation
103-RV	Stephen/Judith Trynosky	George Murray	1509-L	Arne/Regine Gudheim	John Bowyer
106-C	Glenn/Carla Erickson	President	1513-L	Carol Barrons	John Bowyer
109-C	Michael/Alice Epstein	Eden/PhyllisWenig	1516-L	Joseph/Freda Nieters	President
111-M	PJE WLE Development	President	1517-L	Dianne Chisholm	John Bowyer
112-C	Bob/Joan McGee	President	1520-L	Mike/Amy Usalavage	John Bowyer
112-M	Michael/Nancy Bushell	President	1524-L	Alberta Barnett	John Bowyer
114-C	Marie Crossley	Sara Schnabel	1525-L	Jay/Carolyn Ufer	John Bowyer
121-C	Robert Odien/Eileen Nobles	President	1565-L	Glenn/Carla Erickson	John Bower
121-M	Francine Davis-Gimse	Nancy Allen	1573-L	Graham/Michell Kane	Don Kennen
125-C	Margaret Baker/J. Baker	President	1581-L	Barry/Patti VandeZande	John Bowyer

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WELCOME AND INTRODUCTIONS

Mr. Novembre welcomed everyone to the meeting after which he introduced the members of the Board and representatives from Wilderrest Property Management. An apology was expressed for the late change in the meeting location due to a double booking of the meeting room at the Silverthorne Library Meeting Room.

APPROVAL OF MINUTES

RESOLUTION: Upon motion made, duly seconded and unanimously carried, the minutes of the August 20, 2005 Annual Meeting were approved as written.

PRESIDENT'S REPORT

Mr. Novembre reported that the HOA had no major controversies during the past year. At last year's Annual Meeting the Board was charged with investigating other management options. After receiving and considering proposals from two other management companies, a new contract was signed with WPM. However, it was emphasized that this management contract has a 30-day cancellation clause.

The Board recently approved the installation of 16 mailboxes near the entrance of Legend Lake Circle. Appreciation was expressed to John Bowyer who spearheaded the coordination of this project. Mr. Bowyer will also oversee the installation of the mailboxes before winter.

Mr. Novembre explained that the budget initially proposed by WPM did not include a dues increase but the Board recommended an increase with a small portion going to the Operating Account and the majority being contributed to the Reserve Account. Without a dues increase, the Reserve Account would have been reduced to a dangerously low balance next year.

MANAGEMENT REPORT

Ms. Walter explained that she is the primary contact for owners at Blue River Run but expressed concern that she can be difficult to reach at times. Daniel Vlcek, the Director of Property Management who oversees the property management staff for the complex, is a back up contact. 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 businesses in the area), brochures for WPM's Clearly Cleaner Carpet Cleaning Service 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.

PROPERTY ISSUES

Various property issues and questions were raised by owners including:

- Some gaps between the concrete patio and the building have been reported. This issue is being investigated to determine the cause of the gap and whether it is potentially associated with the weight of hot tubs on the patios. However, some owners pointed out that there are gaps in patios that do not have hot tubs.
- Several questions were asked regarding the plan for addressing new roof leaks or problems that surfaced this past winter. It was noted that the amount of snow this past winter surpassed that of previous winters and that this was a significant reason for new issues. Mr. Novembre reminded the membership that the Board devised a roof action plan several years ago based upon historical roof leak data and recommendations from various roof experts. The plan included the addition of heat tape, gutters/downspouts and modified bitumen roofing material in identified problem areas on numerous buildings throughout the complex. New problems are handled on a case-by-case basis.
- An owner expressed concern that the heat tape on the roofs, which are common areas, is supported by personal electricity causing a significant increase in individual owner electric bills. It was explained that the Board previously determined that the heat tape is an important component needed to prevent roof leaks in particular areas. Since there is no common electric outlets to feed the heat tape, it is necessary to connect the heat tape to individual unit electricity. Although this action results in an increased personal expense, it also prevents

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additional expense in the form of higher and more frequent dues increases and/or special assessments to all owners to pay for continuing roof repairs, snow/ice removal and interior unit repairs.

- Several owners reported that WPM offered quality and lower priced repair services through its Repair and Maintenance Department.
- Numerous questions and concerns were expressed regarding landscaping issues.
 - A depression in the asphalt in front of unit 1372 South Vista was identified as a potential hazard due to ice collection in the winter. Since this problem can only be solved by removing the current asphalt, compacting the subsurface and repaving the area, it is not cost effective to perform the repair until the entire parking lot is repaved in the future.
 - The landscaping expense is over budget at this time due to timing issues with payments of various bills. The major lawn care is provided by outside contractors who cut the natural and turf areas of growth, fertilize/aerate the lawn and maintain the irrigation system. The Landscape Committee is vigilant about watching the amount of watering needed to maintain the landscaping without over watering. However, it was noted that the irrigation system is an inferior system originally installed by the Developer of the property. Some portions of the property are not irrigated and this was part of the original plan to include natural grass areas, which would not need as much water. A suggestion was presented to add rain sensors to the irrigation system and to cut it off completely during periods of heavy precipitation.
 - Appreciation was expressed to Francina Davis and Don Kennen for coordinating the very successful noxious weed spraying project on the vacant single-family lots and the HOA common areas. The Board plans to file applications for the cost-share reimbursement program being offered by Summit County in an effort to recoup some of the associated spraying costs.
- The dumpster pick up schedule is adjusted seasonally and the dumpster is emptied less often in the shoulder seasons, spring and fall. However, it was noted that earlier overflows of the dumpster were the result of the schedule not being readjusted properly for the summer season.
- The excessive snowfall this past winter resulted in some additional damage to sprinkler heads and landscaping. Perhaps such damage could have been avoided if snow had been removed from the property instead of continuing to use the on site storage but removing snow would have been prohibitively expensive. The snowplow contractor did reimburse the HOA for some of the damage.

FINANCIAL REPORT

Current Status

Ms. Allen reported that the Operating profit for the period ending July 31, 2006, was less than budget at \$5114.88 but was still positive considering the additional expenses associated with snow removal for the previous winter. However, this profit for the year will still not balance out the negative \$13,614.74 Operating Equity at the beginning of this fiscal year. This cumulative negative balance for the Operating Account was a contributing factor for levying a dues increase. During the past year many dues delinquencies were paid so that all dues are now current. One delinquent account resulted in a bank foreclosure with only six months of the back dues being paid and a bad debt of \$3020.72 for the HOA. The Reserve Account balance as of July 31, 2006, is very close to budget at a negative \$12,139.94.

Budget

The 2006-2007 budget was reviewed. This budget has been approved by the Board and must be ratified by the membership. It includes a 5% dues increase with 1% contributed to the Operating Account and 4% contributed to the Reserve Account. This increase in dues will allow for consideration of an independent financial audit to be paid from the Operating Account in 2007 and for the continued build up of Reserve funds to pay for future capital improvements.

Appreciation was expressed to the Board for noting financial concerns voiced by the single-family homeowners at last year's annual meeting and for accommodating their suggestion for separate tracking of their contribution to the Reserve Account.

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RESOLUTION: Upon motion made, duly seconded and approved by the majority of the membership present and represented by proxy, the 2006-2007 budget with the dues increase was ratified.

OTHER BUSINESS/HOMEOWNER QUESTIONS AND CONCERNS

Recycling

An owner requested that the Board investigate the addition of recycling containers on site at the dumpster locations. In the meantime owners may utilize the recycling containers provided by Waste Management at their Silverthorne site (314 West Third St.). It was also suggested that signage be installed on the dumpsters to direct users to the Waste Management recycle site and that this information be published in the next HOA newsletter.

Silverthorne Bike Path

The Town of Silverthorne is still involved in negotiations with the property across the Blue River from Blue River Run in an effort to acquire the desired easements for completion of the path. Several owners asked the Board to monitor the town's progress in this project to protect the interests of the HOA and particularly those individual owners whose units are in close proximity to the proposed path.

Highway 9 Development

Although the possibility of the construction of a Safeway grocery store on the land across the highway from Blue River Run is no longer viable, there is a convenience store/gas station under construction. Other development possibilities for this area include an affordable housing complex and an equestrian center.

Single Family Homeowner Request

Kevin LaClede asked the Board to reconsider his request to continue construction of a bulkhead structure into the lake at the edge of his vacant lot. After Mr. LaClede's lengthy explanation of the basis and history of this request, the Board suggested that the Annual Meeting was not the proper forum for further discussion of this issue and invited him to attend a Board meeting. Mr. Novembre further reminded Mr. LaClede that the Board's previous decision to reject his request would not change until the proper approvals are received from the Town of Silverthorne.

ELECTION OF DIRECTORS

Mr. Novembre's term is expiring and although he had previously announced his reluctance to continue on the Board, he agreed to reconsider.

RESOLUTION: Upon motion made, duly seconded and approved unanimously, Pete Novembre was re-elected to serve a three-year term on the Board of Directors.

Don Kennen expressed appreciation to all the Board members for the time and effort they devote to the HOA. Because he has filled an alternate Board position for the past year, he has witnessed the dedication of the Board and encouraged all owners to attend Board meetings to become more involved in the workings of their Association.

NEXT MEETING

The next Annual Meeting will be held on August 18, 2007. 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 Silverthorne Library Meeting Room if it is available.

ADJOURNMENT

The meeting was adjourned at 12:00 Noon.