

**HOMESTEAD @ THREE PEAKS HOMEOWNERS ASSOCIATION
ORGANIZATIONAL MEETING
FEBRUARY 26TH, 2007**

The organizational meeting of the Homestead @ Three Peaks Homeowners Association was held on February 26th, 2007 and convened at 9:00 A.M. at the Wildernest Conference Center pursuant to written notice. Present from Wildernest Property Management [WPM] were Tony Snyder-President; Barbara Walter- Director of Operations; Audrey Taylor-HOA Liaison and Jonathan Kriegel-HOA Liaison. Brian Novak and Teri Jones from Summit Legends, the Developer of the project, joined the meeting at approximately 9:30 A.M.

ROLL CALL AND CERTIFICATION OF PROXIES

The following units represented in person, via teleconference or by proxy constituted the quorum requirement of 25% of all votes in the Association:

Unit #	Owner	In person	Teleconference	Proxy
3000	Tom/Claire Joyce		X	
3001	Chang & Shinn Wee			X
3002	Greg/Annmarie Neal			
3003	Summit Legends	X		
3004	Dave/Norma Paynter		X	
3005	Steve Deppe		X	
3006	Mark West		X	
3007	Teresa Argenbright	X		
3008	David Prohl	X		
3010	Steve Malkewicz	X		

MANAGEMENT REPORT

Introduction to Wildernest Property Management- Barb Walter introduced Wildernest Property Management and the representatives in attendance, as well Daniel Vleck –Director of Off Mountain Properties, who was unable to attend. Ms. Walter reviewed the services provided to the Association pursuant to the management agreement; she also covered additional services available to individual homeowners, such as house cleaning, carpet cleaning, rental management and spa maintenance. Owners were also encouraged to make use of the Wildernest website: www.wildernesthoa.com which has a button for Homestead @ Three Peaks under which it is easy to find information about the Homestead Homeowner’s Association, governing documents, financials, contact information and other current topics.

Senate Bills 100/89 - Materials on these two important recent laws were included in the packet and reviewed. One of the most important tools for complying with these new laws is the above mentioned website which serves as a mechanism to keep owners informed with up-to-date information.

RESOLUTION: UPON MOTION DULY MADE, SECONDED AND PASSED UNANIMOUSLY THE FOLLOWING OPERATIONAL RULES WERE ADOPTED TO COMPLY WITH SENATE BILLS 100 AND 89:

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, said member may participate in discussions prior to the vote.

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 a coupon book or an automatic bank draft payment option for payment of dues assessments, which are due the 1st day of the month. Homestead at Three Peaks dues are paid monthly. If payment is not received by the 30th 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 may be assessed the following fees and penalties:

- After 30 days: Payment of a \$20/month late fee
- After 90 days: Filing of a lien against the Unit.
- After 120 days: Pursue legal action, including foreclosure, per Board 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 contested positions for Board members at the Annual Meeting will be taken by secret ballot. At the discretion of the Board, or if requested by 20% of unit owners present or represented by proxy, if a quorum has been achieved, secret ballots will be used for a vote on any other matter on which all unit owners are entitled to vote. A committee of unit owners, rather than candidates or Board members, is to count ballots.
- 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.

NON-BINDING ARBITRATION

The Association will use mediation and non-binding arbitration prior to litigation in dealing with conflicts between unit owners and the Association.

INVESTMENT OF RESERVE FUNDS

The Association will:

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

REPORT OF DEVELOPER

Landscaping- Brain Novak indicated that landscaping bonds for camps 2, 3, and 4 remain outstanding due to winter weather. Landscaping work on these properties will progress when warmer weather allows work to begin. Otherwise, landscaping is complete. Mr. Novak recommends that WPM continue deep root feedings on the plantings and periodically adjust the stakes that hold up trees.

Warranty- The warranty provided by Summit Legends is for one year with two years on structural components. The subcontractor on roofs provides a warranty of 2 years and manufacturers warranty is for 50 years.

Statutory Checklist for Declarant- As the Association is now coming out of Declarant control Colorado law imposes certain requirements. A copy of the relevant statute C.R.S. 38-33.3-207, as well as other statutory materials, were included in meeting packet. Additionally, a checklist summarizing the statutory requirements was included in the packet and reviewed in some detail. Since WPM has operated as managing agent for the Association from April 2005, governing documents, financial records, association funds, limited building plans, insurance policies, Certificates of Occupancy (excluding unit 3003), home owners roster, employment contract and service management contracts are all on record with WPM. Summit Legends has solicited bids for a financial audit and will have the audit prepared at their cost and completed before April 27, 2007.

FINANCIAL MATTERS

Barb Walter reviewed the Association's financials beginning with the Balance Sheet, which shows that Member's Equity was \$16,022.83 as of January 31, 2007. For the period of April 1, 2006 to January 31, 2007, income exceeded expenses by \$3,576.57. At this point no specific reserve account has been established. The proposed budget was reviewed and discussed. Two changes were suggested in the text: line item 665 delete "recycling bins", line item 671 delete "twice per month maintenance checks of units".

RESOLUTION: UPON MOTION DULY MADE, SECONDED AND PASSED UNANIMOUSLY, THE BUDGET WAS APPROVED WITH THE MINOR AMENDMENTS NOTED ABOVE.

The creation, and necessity, of a reserve account was discussed with emphasis on exterior painting, roof replacement, driveway and street asphalt items. Brian Novak suggested that cedar poles and railing should be done every other year and touched up periodically. Camps 1, 10 and 9 have the oldest paint and will need to be repainted first, possibly as soon as the summer of 2008. The remaining schedule should be camps 8,7,5, and 6 in 2009 and camps 4,3 and 2 in 2010. A straw pole was taken and there was a preference for creating adequate reserves in order to avoid special assessments for long term maintenance items.

RESOLUTION: UPON MOTION DULY MADE, SECONDED AND PASSED UNANIMOUSLY THE BOARD WAS AUTHORIZED TO COLLECT ADDITIONAL INFORMATION AND CREATE A RESERVE ACCOUNT AND TO MAKE EXPENDITURS IN EXCESS OF THE BUDGET IN THEIR DISCRETION.

OPERATIONAL MATTERS

Interaction with Eagles Nest Master Association- Information from Eagles Nest Homeowners Association will be placed on the website.

Snow Storage- Plows are pushing snow in the area of the dumpster, which could be a concern during the spring melt season and will have to be monitored. Ideally, plows should push snow beyond asphalt over the bank so it will not drain towards camp 6 and 7 when warmer weather melts snow. This needs to be monitored and discussed at the spring walk thru.

Mountain Pine Beetle- Extent of this problem will be evaluated at the spring walk through. Eagles Nest Master Association may require spraying of some trees. Cost of spraying and tree removal could exceed the current landscaping budget. Depending on location and date of infestation the Board may ask Summit Legends to absorb part of this cost.

Electrical Boxes- Excel Energy owns and controls the main electrical box in front of camp 9 and the Association does not have authority to modify.

Dumpster Enclosure- Swinging doors need to be completed by Summit Legends. Three tires need to be removed by WPM

Snow Removal from Patios, Roofs and Decks- WPM will clarify precisely what is being done under the existing contract and the Board will review the policy at the Spring walk through. Existing budget figures may not cover all areas of snow removal. There was a suggestion that the Association pay to remove snow from any area that ultimately will have to be repaired/replaced as an Association cost. Consensus of the membership was that the larger maintenance costs should be covered through the Association

Landscaping- The Board was encouraged to make landscaping a high priority, as well as to maintain a level of landscaping in a consistent manner that was commensurate with the value of the properties even if it requires expenditures beyond current budget.

Recycling- Currently the Waste Management contract does not include a recycling pick up. WPM was asked to find out what the additional expense was to have this included. Free recycling is available in Silverthorne at the Waste Management center just southwest of the post office.

Security Inspections: Security inspections of unoccupied units are available upon request by any owner. Two inspections per month will be done for \$25.00 or four inspections for \$50.00.

Water Pressure- Low pressure may be caused by incorrect setting on individual pressure valves in each unit or debris in the aerator filter on a faucet.

ELECTION OF DIRECTORS

RESOLUTION: UPON MOTION DULY MADE, SECONDED AND UNANIMOUSLY APPROVED, STEVE MALKEWICZ, DAVID PAYNTER AND DAVID PROHL WERE ELECTED TO THE BOARD OF DIRECTOS.

NEXT MEETING DATE

The Spring walk through is scheduled for June 8, 2007 at 2:00 P.M. (meet at the dumpster). Mr. Kriegel will contact possible contractors for tree removal and ask them to attend the walk through.

The Annual Meeting is scheduled for November 5, 2007, @ 9:00 A.M. at the Wildernest Commercial Center

ADJOURNMENT

The meeting adjourned at 11:30 A.M.

HOMESTEAD @ THREE PEAKS HOMEOWNERS ASSOCIATION
ORGANIZATIONAL BOARD OF DIRECTORS MEETING

The newly elected Board of Directors met briefly at 11:30 A.M. immediately following the organizational meeting to elect officers and determine terms for the Board.

RESOLUTION: UPON MOTION DULY MADE, SECONDED AND UNANIMOUSLY APPROVED, THE FOLLOWING DIRECTORS WERE ELECTED TO THE DESIGNATED POSITIONS FOR THE TERM OF YEARS STATED:

PRESIDENT	STEVE MALKIWICZ	3 YEARS
VICE PRESIDENT	DAVID PROHL	2 YEARS
SEC/TREASURER	DAVID PAYNTER	1 YEAR

The meeting adjourned at 11:35 A.M.