

**PROSPECT POINT TOWNHOMES ASSOCIATION
ANNUAL HOMEOWNER MEETING
August 19, 2005
Frisco, Colorado**

I. CALL TO ORDER

The meeting was called to order by Malcolm Orton at 3:05 p.m.

Board members in attendance were:

Malcolm Orton, President, 1518A
Carolyn Stickell, Director, 1510B
Bill Broten, Director, 1520C

Bob Roggow, Vice President, 1508C
Carol Bartoletti, Director, 1510A

Homeowners in attendance were:

Mr. and Mrs. George Day, 1502B
Michele and Ken Magazzu, 1508B
Irvin Bartoletti, 1510A
Dale and Joanne Mayer, 1516A

Jim Johnson, 1504C
Diane Roggow, 1508C
Don and Bob Tracy, 1510C
Janet Orton, 1518A

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Rob Carter. Margot Mayer of Summit Management Resources was recording secretary.

II. PROOF OF NOTICE AND QUORUM

Notice was sent in accordance with the Bylaws. With ten units represented in person and thirteen proxies received, a quorum was reached.

III. APPROVE PREVIOUS MEETING MINUTES

Carolyn Stickell made a motion to approve the minutes of the August 20, 2005 Annual Meeting as presented. Jim Johnson seconded and the motion carried.

IV. PRESIDENT'S REPORT

Malcolm Orton thanked the Summit Resort Group team for doing a great job.

V. FINANCIAL REPORT

A. 2004/2005 Year-End Status

Kevin Lovett reported that the Association ended the 2004/2005 fiscal year with \$9,021 in the Operating account and \$32,561 in the Reserve account. Overall, the Association ended the year \$5,625 over budget, mainly due to overages in Insurance and Repairs and Maintenance.

B. Year-to-Date Financial Status as of July 31, 2006

As of July 31, 2006 the Association had \$33,176 in the Operating account and \$43,315 in the Reserve account. Overall, the Association was \$26,780 under budget in operating expenses. This variance was mainly due to the timing of the insurance payment. Upon payment of the insurance premium, the Association will

actually be \$4,558 under budget, mainly due to savings in Landscaping expenses, Repair and Maintenance and Water.

C. *Reserve Fund Contribution*

All capital projects planned for 2005 have been completed. The expense for staining has not been paid yet.

D. *2005/2006 Proposed Operating Budget*

Kevin Lovett presented the proposed 2006/2007 Operating Budget. The proposed Budget is similar to the current year but includes a \$10/unit/month increase to contribute to the Reserve Fund.

Malcolm Orton said the Board researched contractor expenses. The Board agreed that the quality of work was reflected in the price; cheaper contractors probably would not provide the same level of quality.

An owner noted that an overlay to the parking lot has not been scheduled until at least 2021. Kevin Lovett explained that the Reserve Study only predicts expenses out ten years. The spreadsheet is being revisited every year.

Once the Budget has been approved, the Board has the ability to make decisions to increase or decrease dues, and to levy Special Assessments as needed. With an increase of \$10/unit/month, a total of \$44,000 will be contributed each year into the Reserve Fund. After all 2006 expenses have been paid, the Reserve Fund balance at the beginning of 2007 should be about \$24,000.

Carolyn Stickell made a motion to approve the 2006/2007 Proposed Budget as presented. Ken Magazzu seconded and the motion carried.

VI. PROJECT UPDATE AND LANDSCAPING REPORT

A. *Completed Projects*

1. Phase II Building (1512, 1510 and 1508) staining has been completed. Kevin Lovett explained he received only a week's notice from the painter prior to starting the work. He sent out letters to all owners and tried very hard to work around all homeowners' schedules. The contractor had 25 painters scheduled for this job in order to complete the project as quickly as possible. Kevin apologized to any owners who were inconvenienced by the work. A suggestion was made to communicate such issues immediately by email. Upcoming projects will be posted on the Association's website.
2. Entryway step replacement for 1508B and 1514B has been completed.
3. Entryway concrete walkway for 1520C and 1512D has been completed.
4. First half of Phase I gutter installation completed.

5. Two dead pine trees on site and two large pine trees behind 1508B have been removed to prevent damage to the building.
6. Carbon monoxide boiler venting issues completed.
7. Landscape clean up.
8. Senate Bill 100 compliance.
9. Summit Resort Group/Prospect Point Townhomes website established at summitresortgroup.com.
10. Visitor/Overflow Parking signs have been installed in the parking areas across from Buildings 1514 – 1512. Notices will be placed in units explaining that two parking spaces are allocated for each unit (one in the garage) and additional vehicles should be parked in the overflow spots.

B. Pending Projects

1. Vole remediation (ongoing).
2. Gutter installation will be scheduled for early September to complete the second half of Phase I.
3. Phase II building staining will be completed in 2007, including Buildings 1506, 1504 and 1502.

VII. OWNER'S FORUM

A. Snow Removal

Snow removal will be addressed more aggressively this year. Kevin Lovett explained solicitations for bids have been sent to contractors. The Master Board will review the bids and will oversee all of the snow plowing. How the bill will be allocated between Associations is still to be determined.

Kevin Lovett said the contractor who is awarded the job would walk the property with management prior to snowfall. He is planning to put up snow stakes to identify difficult snow plowing areas to prevent damage to landscaping. Kevin explained snow would be plowed after more than 3" of accumulation. Pushing back snow will be an additional cost.

B. Cracks in Front Steps (1516A and 1504C)

Joanne Mayer asked if the cracks in her front steps could be repaired. She offered to pay for the job now and would be willing to wait to be reimbursed when the project is scheduled and budgeted. Owners from 1516A and 1504C will work with Kevin Lovett to have the repair done sooner than scheduled.

VIII. OLD BUSINESS

A. Reimbursement for Gutter Installation

Malcolm Orton explained that some units have drainage issues that are causing damage to the decks. At a previous meeting the Board had agreed to install gutter and heat tape at Association expense on the problem units. Prior to this decision, some owners had already installed gutters at their own expense. The Board felt

the owners should vote on reimbursement for the owners who already completed the gutter work. The total expense would be about \$20,000.

It was noted that some gutters have been installed without approval from the Board. Bob Roggow said he hopes to be reimbursed as he paid \$2,400 to replace his gutters.

Ken Magazzu made a motion to reimburse owners for the gutter installation over a certain period of time and for an amount the Architectural Committee (Board) will determine. Homeowners will need to provide proof of expenses. The Board will establish further details. Don Tracy seconded and the motion carried.

IX. NEW BUSINESS

A. *Slash Removal*

Alpine Fire Mitigation has provided an estimate of \$1,500 to remove all of the dead (fallen) trees and slash behind the complex on Denver Water Board land. The bid is to clear out slash up to about 30 feet from the fence. This includes complete removal of the slash from the land; the Denver Water Board has indicated they do not want the slash just relocated on the land so if any work is done, it must be removed completely. Alpine Fire Mitigation has also given a bid to establish "defensible space" in this same area. This would include trimming limbs off trees up to 5' off the ground and removing some of the smaller trees. The initial work would begin at \$600. If additional defensible space work is requested an additional bid would be provided. The contractor warned that with the defensible space clearing some of the privacy would be sacrificed.

There was a motion to pursue this project, including \$1,500 to remove all dead (fallen) trees, \$600 to trim limbs off trees up to 5' off the ground and to remove some of the smaller trees. The motion was seconded and carried with two votes opposed.

B. *House Rules Changes*

Kevin Lovett explained that the "no signs" rule had been changed. Homeowners are now allowed to display real estate signs in their windows. The Board decided it was unreasonable to prohibit owners from advertising when their unit is for sale. "For Sale" signs are not allowed in the yard or driveway. An "Open House" sign can be set out in the entryway but must be taken in at night. A box with flyers about the unit may be displayed.

The pet rule originally stated that only owners were permitted to have pets. It has been revised to allow long term tenants to have pets, subject to prior Board approval.

X. ELECTION OF DIRECTORS

The floor was opened for nominations. The term of Bob Roggow expired and Mary Anne Hoffman sold her unit and no longer serves on the Board.

Motions were made to nominate Bob Roggow and George Day to serve on the Board. The motions were seconded and nominations were closed.

A motion was made to elect the two candidates by acclamation. The motion was seconded and carried.

XI. SET NEXT MEETING DATE

The next Annual Meeting was set for August 18, 2007 at 3:00 p.m.

XII. ADJOURNMENT

With no further business, the meeting was adjourned at 4:40 p.m.

Approved By: _____
Board Member Signature

Date: _____