

THE PONDS AT BLUE RIVER HOMEOWNERS ASSOCIATION

ANNUAL MEETING

AUGUST 16, 2008

The Ponds at Blue River Homeowners Association held its 2008 annual meeting on Saturday, August 16, 2008 at the Silverthorne Elementary Cafeteria in Silverthorne, Colorado. Directors Loren Steinbrink, Dallas Knudson and Elaine Lowery were present as were those owners listed below as present or represented by proxy. Tony Snyder – Owner/President, Daniel Vlcek – Director of Property Management, Paco Ortiz – Property Manager, and Jill Tigges – HOA Liaison represented Wilderwest Property Management (WPM).

INTRODUCTIONS

President Steinbrink introduced the other members of the Board and invited guests; the owners present identified themselves.

CALL TO ORDER & CERTIFICATION OF PROXIES

President Steinbrink called the meeting to order at 10:08 a.m. Mr. Snyder certified that proper notification was sent and that the owners present or represented by proxy fulfilled the quorum requirements of 25% of the membership, or 21 of 84 units.

Owners Present:

Unit #	Owner(s)	Unit #	Owner(s)	Unit #	Owner(s)
101-A	STEVEN LOUX	124-A	KIM MAHNKEN	152-A	PAUL & APRIL LUBER
103-A	JAMES & BETTE SCHLIE	125-A	EUGENE JENCOSK	154-A	DON & CHYERL VARVIL
104-A	PETER & MAUREEN MCGUIRE	126-A	WALTER & GEORGIA IMHOFF	154-R	DEBORAH NARROD
105-A	KIM CALLIHAN	130-A	BARRETT EDWARDS	156-R	CHARLES ADOLPH
106-A	JOHN & HELEN GIESEN	131-A	PAUL & DONNA WARDLAW	160-A	BETTY JEAN AVANT
110-R	ROBERT & VERA EDDINGTON	134-A	JEFF LIBBY	160-R	PEPPER & ANN LEAVINE
111-A	DAVID RAYMOND	134-A	NICOLE WALLACE	162-R	BONNIE HOWE
112-R	CHARLES & MARY STUART	136-R	JEROLD & SANDRA PERLSTEIN	166-A	ALAN & DEBBIE STOCKSTAD
114-R	JANET HUMPHREY	140-A	PAUL & JUDY MASSIGLIA	172-R	KEVIN & JOANNA HOPKINS
117-A	PAUL & JUDY MASSIGLIA	142-R	JOYCE PATTERSON	176-A	CHARLES & SUSAN MICHELSON
120-R	ANN BREWSTER	144-R	LINDA WALLACE	176-R	176 ROBIN DRIVE
121-A	JACK & AILEEN ZIEGLER	146-A	TOM & JANIE MACARTHY	180-R	RICK & SHIRLEY JENNEWINE
123-A	CARL HALDY	150-R	LOREN & KAREN STEINBRINK	182-R	CAROLYN DEKOK

Owners Represented by Proxy:

Unit #	Owner	Proxy To:	Unit #	Owner	Proxy To:
102-A	MICHAEL & PAMELA FOX	PRESIDENT	142-A	RUSTY & SHIRLEY TINSLEY	PRESIDENT
122-A	JT & NANCY PETILLO	DAVE RAYMOND	156-A	SUSANN EDDY	CHUCK MICHELSON
122-R	JAMES & PAULA ZOLLER	ANN BREWSTER	164-R	JOHN LUTZ	PRESIDENT
124-R	ROBERT & BERNICE NISSEN	ANN BREWSTER	166-R	JAMES COKER	PRESIDENT
130-R	CHARLES NIMS	PRESIDENT	170-A	BOB & DOROTHY KIEBER	CHUCK MICHELSON
132-R	CHRIS HOLLY	PRESIDENT	170-R	NANCY RABB	PRESIDENT
136-A	JIM & SUSAN RECTOR	PRESIDENT	194-R	ALLEN COHN & JOAN FEIL	PRESIDENT
			196-R	ROBERT & BARBARA WOOD	PRESIDENT

PRESIDENT'S REPORT

Mr. Steinbrink began his report by reviewing the extensive history of the development and original construction of the complex, as well as the numerous construction defects identified in the buildings and units. He recapped the legal process, which began with the filing of the lawsuit in January 2003 and ended with the out of court settlement in September 2005. Mr.

Steinbrink continued with an overview of the reconstruction process, which has been ongoing since the settlement and is nearing completion. He explained the outstanding reconstruction items, as well as those repairs not included in the reconstruction as noted below:

- Snow was found in some attics last winter as a result of the new ridge vents on the roofs. The Board is still negotiating with Reconstruction Experts (RE) to determine a fix and who will pay for the repair.
- The excessive snow last winter built up on the roofs to the point that it covered the tops of some furnace vents which cut off the combustion air to the furnace and resulted in the furnace shutting off. The Board is having discussions with TRANE, Anderson Air, Professional Investigative Engineers (PIE) and RE to determine the fix and who will pay for the repair.
- The pedestal lights on Allegra were not included in the lawsuit but the Board has decided to pursue a replacement that will be snowplow proof. PIE is designing a new light, which will be bid by RE and then the Board will determine whether there are construction funds left to fund the project.
- The sub contractor who replaced asphalt last fall did a substandard job and much of the work has to be redone. RE is in the process of scheduling the asphalt warranty work for late August or early September. When this work is scheduled, owners will be notified as there will be the need to have some garage doors open for the work.

One of the final pieces of the reconstruction has been the implementation of the landscaping design and installation. After some initial issues with grading and design, this project is going well. Mr. Steinbrink expressed great appreciation to Rick Jennewine, Chair of the Landscape Committee, and the rest of the committee members for their work and effort on this project.

Mr. Steinbrink also recognized the support of Wilderrest Property Management and the challenge Tony Snyder faces trying to staff the company's workforce in the challenging Summit County work atmosphere. He mentioned the numerous fine employees who have dealt with the property during its struggling years and moved on, specifically Don Marco, Jo Medelman, Mike Nachtigal, Dave Linnabary and Terry Bearson, as well employees who have stayed involved, such as Daniel Vlcek, still the Director of Property Management, and Pat Rice, who recently relocated to Tennessee. Mr. Steinbrink offered a special recognition of Pat Rice, the HOA Liaison for The Ponds at Blue River during most of the litigation and reconstruction process. He commented on Ms. Rice's extensive abilities and her commitment to the property. The Board gave her a going away gift in the form of a \$750 check and numerous owners personally contributed cash and checks to assist her with her relocation expenses.

Mr. Steinbrink also noted the following miscellaneous items:

- The budget proposal will be presented by Mr. Knudson later in the meeting. The owners were reminded that there has not been a dues increase since 2002.
- With the end of reconstruction in sight, the Board focused this year on the Major Maintenance Chart (MMC) and future costs that will now become the responsibility of the HOA. The MMC will be continuously updated to reflect the condition and the rate of deterioration of the siding, exterior staining and asphalt, as well as the constantly changing costs of such projects.
- The Ponds at Blue River HOA is a member of the Eagles Nest Property Owners Association, which is the master association for all HOA's in the area. After Angler

Mountain, the new property being developed by Tim Crane, was able to secede from the master HOA, the PBR Board also attempted secession but was unsuccessful.

- Other issues have surfaced which involve the Angler Mountain development and the use of Bald Eagle Road; Western Skies Development (the original developer of The Ponds) installed Bald Eagle Road and gave it to the Town of Silverthorne. Angler Mountain was to pay Western Skies for the use of Bald Eagle Road but the amount is in dispute. There is also a dispute between Western Skies and Tim Crane regarding the cost of the new bridge over the river. Although these issues don't involve The Ponds, the HOA may be drawn into the arbitration to settle the issues.
- The owners were reminded that the management company must have keys for each unit in order to access units in emergencies. Such access is especially important as one of the center units in each building has the water shut off for the entire building.

APPROVAL OF MINUTES

RESOLUTION: Upon motion made, duly seconded and unanimously carried, the minutes of the annual meeting held August 18, 2007, were approved as prepared.

FINANCIAL REPORT

Mr. Snyder reviewed the balance sheet for the period ending 7/31/08 and noted the decrease in funds from the same time last year due to construction spending. Current total assets are \$606,954.25 with liabilities of \$30,291.90 resulting in equity of \$576,662.35. However, it was pointed out that the remaining payments on the landscaping work will deplete the HOA funds to approximately \$100,000 at the start of the new fiscal year, October 1, 2008.

BUDGET RATIFICATION

Mr. Knudson briefly presented the Board approved budget proposal, which includes a dues increase of 20% per unit per month. He explained the expenses driving the need for the dues increase.

RESOLUTION: Upon motion made, duly seconded, and unanimously carried, the budget proposal for 2008-2009 was ratified by the membership.

ELECTION OF DIRECTORS

Mr. Steinbrink announced that there are two positions open on the Board of Directors, his position and the one held by Elaine Lowry, who was appointed to fill the remainder of the position vacated by John Wallace's resignation. He explained the requirements and meeting commitments associated with serving on the Board. Four owners were nominated: Jim Zoller, Pepper Leavine, Dave Raymond and Janet Humphrey. Each nominee gave a brief presentation on his/her qualifications and reasons to serve on the Board; in Mr. Zoller's absence, Ann Brewster presented his qualifications.

A written ballot vote resulted in the election of Pepper Leavine and Dave Raymond to three-year terms on the Board of Directors.

NEXT YEAR'S MEETING DATE

The 2009 Annual Meeting will be scheduled for August 15.

AFTER A BRIEF BREAK, THE MEETING RECONVENED AT 11:28 A.M.

LANDSCAPING REPORT

Chairman of the Landscaping Committee, Rick Jennewine, addressed the membership and thanked the owners for their patience during the implementation of the master landscape plan, which will hopefully be complete by the end of September. The base contract with Neils Lunceford was for \$360,786 but numerous change orders have increased the amount to \$425,439. Although owners expressed varying opinions on the success of the landscape design and implementation, the general feedback was positive. Mr. Jennewine answered questions and made the noted the following items:

- After the final installation by Neils Lunceford, the Board will adopt a policy for owner plant installations.
- Paths to the pond are not included in the landscaping plan.
- Neils Lunceford plans to reposition rocks next to walkway and driveway edges and will place them flat side up.
- Seeding will be done on Robin Drive after the regarding is completed.
- Numerous issues with the sprinkler system are being addressed; watering times may seem excessive but must continue until new sod is established.

Appreciation was expressed to Ann Brewster, Bob Kieber and Ann Leavine for their work on improving the appearance of the entrance to the property. Other owners are encouraged to volunteer for this project.

OWNER'S FORUM

There was extensive discussion regarding the issue of stairs from the pocket park to the bike path in the area of 126 Allegra. A homeowner has installed stairs and they are deemed to be unsafe. There is great concern regarding liability and they must be removed. The replacement of these stairs with better stairs had numerous objections based on the nuisance of public traffic, privacy for adjoining units, and liability issues. The completion of the landscape plan will help address the privacy of the adjoining units, but private property signage may also be considered.

RESOLUTION: Upon motion made, duly seconded and carried by majority vote, the installation of stairs from the pocket park to the bike path was approved.

The Town of Silverthorne has said that if the HOA installed stairs from the pocket park to the bike path, the town would pay for the installation of stairs from the bike path on down to the level of the river.

RESOLUTION: Upon motion made, duly seconded and carried by majority vote, it was decided that the owners do not want stairs installed from the bike path down to the level of the river.

Other questions from the membership were addressed with the following responses:

- Although the trout population in the north pond is down, the pond is healthy.
- On site recycling will be investigated.
- The HOA has no jurisdiction over the neighboring wetlands area.

- There is no asphalt written warranty but there is a general warranty on the asphalt work completed last year.
- Negotiations regarding the repair of the roof ridge vents and furnace venting should be completed before winter.

SPECIAL PRESENTATION

A group of owners, including Barrett Edwards, Dave Raymond, Rick Jennewine and Renie Knudson, presented a brief play to recognize Stinky Steinbrink's enormous contribution to the HOA during the difficult years of litigation and reconstruction. Following the play, Stinky and Karen Steinbrink were presented with various unique gifts, as well as a travel certificate. Personal testimonials from many owners were offered as the final recognition of Mr. Steinbrink's efforts on behalf of The Ponds at Blue River.

ADJOURNMENT

The meeting adjourned at 1:02 p.m.