

**VILLAS AT PROSPECT POINT ASSOCIATION
ANNUAL MEETING
May 26, 2012
Frisco, Colorado**

I. CALL TO ORDER

The meeting was called to order by Tony Peterson at 10:03 a.m. at the Frisco Best Western.

Board members present were:

Tony Peterson, President, 1515-203
Otis Halverson, Secretary, 1519-201

Sean Cavins, Vice Pres., 1517-102
Kevin McClain, Director, 1511-206

Owners present were:

Wes & Patty Hartman, 1501-202
Nancy Lee, 1503-204
Vernon Phinney, 1507-102
Peter Hewett 1509-206
Russell Frismuth, 1513-201
Joseph Woodrow, 1517-201
Rebecca Hopkins, 1519-103
John & Betsy Blackmar, 1519-203
Joseph & Melva Coughlin, 1519-207
Stephen Fuller, 1507-101
Kathy and Steve Perry, 1509-104
Jack Cheeseman, 1519-208

Jim & Arlene Dinkel, 1501-203
Rob Bullard, 1505-104
Margaret Bloder, 1509-102
Jeff Wakeford, 1511-202
Margaret Bailey, 1515-204
Brenda Lloyd, 1519-102
Otis Halverson, 1519-201
Guy & Virginia York, 1519-204
Anthony Petersen, 1515-203
Julie Comstock, 1507-201
Marshall Constantino, 1519-101
Mary Cavins, 1517-102

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Chris Trettel. Erika Krainz of Summit Management Resources was recording secretary.

With 24 units represented in person and 19 proxies received a quorum was reached.

II. REVIEW MINUTES OF PREVIOUS ANNUAL MEETING

Marshall Constantino made a motion to approve the minutes of the May 28, 2011 Annual Meeting as presented. Mary Cavins seconded and the motion carried.

III. MANAGER'S REPORT

A. Completed Projects

1. Extended irrigation system in the natural area behind Buildings 1519 and 1509 and added seed.
2. Cleaned and mulched beds.
3. Improved the area around the hot tub and behind Building 1507.
4. Planted trees.
5. Crack sealed the asphalt.
6. Touched up paint throughout the complex.

7. Made structural repairs to stairwells of Buildings 1509 and 1519 atriums.
8. Pursuing a warranty claim with Owens Corning. There is a 20-year warranty on the shingles. Any award will probably be a prorated discount on the purchase of new Owens Corning shingles.
9. Investigated alternative product membranes and redesign of the flat roofs to add slope. A pool liner type membrane has been installed on one of the roofs as a test.
10. Investigated options such as metal products and different designs for the roof valleys.

B. Pending Projects

1. Touch up painting.
2. Asphalt crack sealing and repairs.

An owner asked if there had been consideration of replacing the railings with Trex. Kevin Lovett said Trex was not structurally sound for railings and tended to warp. There would need to be additional supports if a composite material was used.

IV. TREASURER'S/FINANCIAL REPORT

A. 2011/2012 Operating Surplus

Tony Peterson said there was a \$19,793 operating surplus at the end of the 2011/2012 fiscal year. The Reserves are underfunded based on projected costs for future years. The Board is trying to build the balance to minimize or avoid any future Special Assessments. The Board is recommending transfer of the surplus to the Reserve Fund. Alternatively it could be carried forward in the Operating budget to offset the proposed dues increase.

Marshall Constantino made a motion to transfer the \$19,793 surplus to Reserves. The motion was seconded and carried.

B. Ratification of the 2012/2013 Budget

Tony Peterson said the 2012/2013 Budget as written included a 1.7% increase in Operating dues and a 10% increase to the Reserve contribution, resulting in a 2.7% overall increase. The previous year ended with a surplus, but it several expenses were lower than normal due to the low snowfall and the Board felt it would be prudent to base the budget on the assumption of more normal expenses. Marshall Constantino questioned if the increase was enough. He thought the Reserve contribution should be increased based on the projected expenditures through 2018. It was noted that the Reserve contribution was increased 10% and that the Board anticipates this level of increase on an annual basis going forward.

A motion was made to approve the 1.7% Operating increase for 2012/2013. The motion was seconded and carried.

A motion was made to approve the \$55,550 contribution to the Reserve Fund for 2012/2013. The motion was seconded and carried.

Marshall Constantino made a motion to approve the 2012/2013 Budget as presented. The motion was seconded and carried.

V. ELECTION OF DIRECTORS

The terms of Kevin McClain, Scott McLean and Tony Peterson expired and all three indicated their willingness to run for reelection. There were no nominations from the floor. A motion was made to close nominations. John Blackmar seconded and the motion carried.

Marshall Constantino made a motion to elect the three incumbents by acclamation. The motion was seconded and carried.

VI. OWNER FORUM

An owner asked about the hot tub motor replacement. Kevin Lovett explained the motor had to be replaced for compliance with the Virginia Graeme Baker Act.

Marshall Constantino asked if the complex would need to be repaved in the next five years. Kevin Lovett responded that the cracks are sealed annually. He walked the property with A-Peak Asphalt. They identified two high traffic areas that will be patched this year but indicated that overall the asphalt was in pretty good condition. Some areas will need more patching in the next five to ten years but A-Peak thought the asphalt would last at least ten more years. Funds will continue to be reserved for major paving but it is unlikely it will all need to be done at one time.

Stephen Fuller said he had a window that was damaged from water draining off the roof and that the repaving caused water to build up in his garage, ruining the drywall. Tony Peterson said repairs to damage originating from a common element would be an Association responsibility.

Tony Peterson encouraged owners to contact Sean Cavins with any landscaping suggestions.

VII. SET NEXT MEETING DATE

The 2013 Annual Owner meeting is scheduled for Saturday May 25, 2013.

VIII. ADJOURNMENT

Mary Cavins made a motion to adjourn at 10:44 a.m. The motion was seconded and carried.

Approved By: _____
Board Member Signature

Date: _____