

**BLUE RIVER RUN HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
July 21, 2006**

The Blue River Run Homeowners Association Board of Directors met on Friday, July 21, 2006 at the Wildernest Commercial Center. Directors/Alternate Directors in attendance were Pete Novembre, Nancy Allen, Brooke Sterling, George Murray, Francina Davis-Gimse, Sara Schnabel, Mike Kelley and Don Kennen. John Bowyer represented the Single-Family Homes Architectural Review Committee. Homeowner Carol Barrons also attended a portion of the meeting. Representing Wildernest Property Management were Barb Walter – Operations Director and Daniel Vlcek – Director of Property Management. Mr. Novembre called the meeting to order at 4:10 p.m.

APPROVAL OF THE AGENDA

RESOLUTION: Upon motion made, duly seconded and unanimously carried, the agenda for the meeting was approved with the addition of one item: Roof Leaks under Financial Report.

APPROVAL OF MINUTES

RESOLUTION: Upon motion made, duly seconded and unanimously carried, the minutes from the April 21, 2006, Board meeting were approved as written.

Ms. Walter referenced a letter recently written and distributed to Board members. It explained that because of significant growth, Wildernest was in the process of adding personnel, specifically two HOA liaisons. The additional staff will result in the redistribution of Homeowner associations among five liaisons instead of three. However, at this time Ms. Walter will remain as the primary contact/liaison for Blue River Run.

FINANCIAL REPORT

Ms. Allen reviewed the financial report for the month ending July 31, 2006 reporting that the profit-loss statement looked good except for the snow removal overrun. Through July 31, 2006 Operating Account profit is \$3017.66 under budget. Although the Landscaping expenses had appeared to be running under budget on the previous statement, it was noted that this was a timing issue related to the payment of bills because this line item is now slightly over budget. A spreadsheet showing the individual breakdown of water/sewer costs per unit/per quarter was distributed; Ms. Allen requested that these costs be spread realistically over the course of the new fiscal year budget.

Ms. Walter reported that there were no serious delinquencies on the Dues Report. The only amounts in the over 90 days status were three late fees on single-family home accounts.

The budget proposal and major maintenance chart were reviewed in detail. The proposal does not include a dues increase, which results in a profit of \$2,735.00 in the Operating Account and a profit of \$8,858.00 in the Reserve Account. However, without a dues increase the Operating Account equity continues to reflect a large negative balance and the Reserve Account balance remains low at the end of the 2007 fiscal year. After extensive discussion, it was decided to

increase the dues by 5% for both the townhomes/duplexes and the single-family homes. This amount will result in a dues increase of \$15.00 per month for the townhomes/duplexes and \$11.50 per year for the single-family homes. Mr. Kennen commented that the expenses for the single-family homes are very stable but that their contribution to the Reserve Account is \$1500.00 per year. He reminded the Board that the primary justification for this contribution was to help pay for the staining of the fence, which has only been done twice in eight years at a cost of approximately \$6,000 per time. Future staining of the fence is scheduled every three years so Mr. Kennen further made the point that there should be a surplus in the single-family homeowners' portion of the Reserve Account. He then asked the Board for confirmation that the Reserve funds would be more than sufficient for the future fence expenses and that a special assessment to the single-family homeowners would not be necessary for any fence related project. He commented that if his understanding of this issue was correct, there should be no objection from the single-family homeowners for their minimal dues increase. Mr. Novembre confirmed that Mr. Kennen's understanding was correct.

RESOLUTION: Upon motion made, duly seconded and unanimously carried, the budget was approved as amended to include a 5% dues increase with 1% allocated to the Operating Account and 4% allocated to the Reserve Account.

Ms. Allen further commented that the dues increase will help fund a future financial audit, which should be scheduled for late 2007. She also expressed appreciation to the Wildercrest Accounting Department because there were no errors in this year's budget spreadsheet. The budget proposal will be amended and emailed to the Board for final approval prior to mailing with the Annual Meeting notice.

A revised summary of expenses related to roof repairs and roof snow removal was reviewed. The total for all roof related expenses is \$10,547.50, which is over the budgeted \$6500 for the current fiscal year. Mr. Novembre expressed frustration with recent contact from the Wildercrest Repair and Maintenance Department requesting approval for repairs related to roof issues because some of the repairs had previously been approved by the Board. Mr. Novembre reiterated that all contact should come through Ms. Walter but also emphasized that WPM should proceed with necessary repairs as long as they are within the established budget.

MANAGEMENT REPORT/ACTION LIST

The updated action list was reviewed in detail. The following additional requests were noted:

- Increase the print size on the action list for easier readability.
- Change tracking system to include "P" for items in progress and "O" for items open/on hold.
- Add item for Senate Bill 89 discussion at next Board meeting.
- Add item for solicitation of bids for settling patio issue.
- Add item for repair of light pole near 137 South Vista.

OLD BUSINESS

Exterior Staining – The exterior staining has been completed but the final inspection for the punch list is yet to be scheduled. Questions were raised regarding the dumpster enclosure, which was not stained to match the buildings. It was also noted that the dumpster enclosure on Creek

Lane was not stained as part of last year's scope of work. Ms. Walter confirmed that the Mountain Vista dumpster was omitted from this year's scope of work but will contact the contractor to request that it be stained at no additional cost. She will also try to negotiate the staining of the Creek Lane dumpster.

Mail Box Status – Mr. Novembre reported that approval has been given for the installation of the mailboxes and he will write a letter detailing that approval.

Architectural Approval – The owner of single-family lot 6 continues to request approval of the structure he has already built at the lake edge on his lot. A copy of the Board's June 10, 2006 denial of approval was reviewed along with the supporting copy of an email from Michael Johnson with the Town of Silverthorne. Mr. Johnson's email indicates that the town issued a stop work order for further construction on this lot until the owner meets with the Community Development Department to discuss his unapproved site development. The Board reconfirmed their decision to withhold HOA approval until all issues with the town are resolved.

Weed Spraying/Landscape Report – Ms. Davis and Mr. Kennen reported on the status of the weed spraying. ECO-RX completed the first spraying on the single-family vacant lots except for lot 6, which the owner sprayed personally. ECO-RX is scheduled to perform the second spray on the lots in August and the owner of lot 6 also committed to spraying his lot again this month. Mr. Kennen reported that the spraying done by ECO-RX was extremely effective while the owner's personal efforts were only minimally successful. Concern was expressed that the common area along the fence in the single-family area was possibly not sprayed; ECO-RX will be contacted and reminded to spray this area in the second application. Mr. Kennen asked for confirmation that the HOA would be financially responsible for spraying that area even though it is in the single-family part of the complex. It was agreed that per the legal definition of "common area", there is no distinction between common area in the townhome/duplex part of the property and the single-family part of the property. Therefore, the HOA will pay for the weed spraying in the area in question.

Ms. Walter reported that she had received written authorization from the four single-family lots that were sprayed and had provided that information to ECO-RX per request. As soon as the final bills are received for the weed spraying, the application will be filed with the County for reimbursement under their weed cost-share program.

A copy of the weed code violation letter received from the Town of Silverthorne was provided to the Board per the request of Ms. Davis. The town is aggressively promoting compliance with their weed spraying code.

Ms. Davis distributed copies of her Landscape Report. She noted that several adjustments have been made to maximize results from the mowing and irrigation schedules. The report included detailed expenses paid personally by Ms. Davis, which totaled \$77.32. In addition to a request for reimbursement of these expenses, she also requested a future allowance of \$150 to spend as needed for landscaping.

RESOLUTION: Upon motion made, duly seconded and unanimously carried, the Board voted to reimburse Ms. Davis for personal landscape expenses totaling \$77.32 and approved a future expenditure of up to \$150.00 for needed landscape expenses.

The latest invoice from Rocky Top for various landscape services was approved for payment; however, it was noted that there was an error in the hourly billing cost for irrigation repairs. Repairs were charged at \$45.00/hour on the invoice and should be charged at \$40.00/hour. This correction will be made prior to payment of the \$11,517.00 total.

NEW BUSINESS

Water Rights for Legend Lake – Mr. Novembre reviewed the water rights issue related to Legend Lake, which had been forwarded to him by the original developer of Blue River Run. In order to keep the HOA’s water rights active, an intent must be filed by July 31, 2006. However, because filing this intent could cost the HOA between \$1,000 and \$5,000 and because the rights are very junior to other parties’ rights, Mr. Novembre asked the other Board members to confirm the previous email decision to forego renewal of the water rights. The Board agreed with this decision.

NEXT MEETING DATE

The next meeting will be the Annual Meeting scheduled on August 19, 2006 at 10:00 a.m. in the meeting room at the Silverthorne Library. Preparation for the meeting was briefly discussed. A social hour will be held prior to the meeting and will begin at 9:00 a.m. Ms. Sterling and Ms. Schnabel will provide food for the social hour and Ms. Walter will have coffee, water and soft drinks available.

ADJOURNMENT

The meeting was adjourned at 6:20 p.m.