

GORE TRAIL at WILDERNEST HOMEOWNERS ASSOCIATION ANNUAL MEETNG – February 25, 2006

The Gore Trail at Wilderndest Homeowners Association held its annual meeting on February 25, 2006, at the Wilderndest Commercial Center. Attendees included Directors Rob Kilgore, Howard Gueck, and Larry Strattan and the owners listed below as present or represented by proxy. Ed Storako from Excellent Construction was also present, and Barb Walter, Curt Kaskey, and Pat Rice represented Wilderndest Property Management (WPM). WPM Owner and General Manager Tony Snyder joined the meeting in progress. President Rob Kilgore called the meeting to order at 10:10 a.m.

PRESIDENT'S REPORT

President Kilgore presented a PowerPoint presentation to the membership (copy of slide presentation on file and posted on the website), which included the following:

Reconstruction Update

- All items associated with reconstruction are complete
- Still waiting to receive landscape bond – approximately \$48,000
- Still have 25% of Emers' claim against Wickes (This was the subcontractor who went into bankruptcy. We do not anticipate any recovery until at least 2007, and do not have any certainty as to how much might be recovered.)

2005/2006 Operating Budget

- Shortfall of approximately \$30,000
- Related mostly to snow removal costs
- Projected to follow average of last several years
- Requires one-time assessment of approx \$500 per unit
- Was sole driver of increasing dues for 2006/2007 fiscal year
- Assessments Elsewhere
 1. Virtually every other complex in Summit County is either levying a special assessment for gas and snow removal or funding their operating deficit with reserves
 2. Accelerates need for future assessments for capital repairs

South Side Roofs Leaks

- Background
 1. Result from roof design
 2. Design was in accordance with county and local requirements
 - a. Could not have recovered anything in litigation even if we had known of the design problem
 - b. Design professionals out of suit as determined they did what was required of them for approval of project
 - c. Other complexes in the county face same issues
- How to fix:
 1. Remove false gables
 - a. Helps prevent ice damming
 2. Remove chimneys
 3. Re-roof south side from peak down
 - a. Includes new Sarnafil membrane
 4. Total cost of approximately \$300k
- Funding
 1. Line of credit used for litigation still in place
 2. Paying the LOC:
 - a. Quarterly assessments of approx \$75 to pay interest
 - b. Annual assessments to pay principal:
 - \$4,500 over 3 years for A's
 - \$5,000 over 3 years for B's
 3. Use proceeds of Wickes litigation to pay off as much of line as possible
 - a. Hoping for \$100-200k

Mr. Storako addressed the membership to further explain the proposed fix for the south side roofs and to answer questions from the floor. This included the following:

- The gables over the dining rooms on the south side are decorative framing and built on top of the flat roof sheathing. This design element creates snow and ice accumulations in the valleys adjacent to the gables leading to the roof leaks and interior damages.
- The gables and false chimneys can be removed down to the sheathing leaving a straight roofline.
- The proposed Sarnifil membrane along the lower six feet will color match the shingles and prevent water penetration. It has a 30 to 40-year life expectancy and the best UV resiliency obtainable, and Mr. Storako will obtain the manufacturer's warranty information.
- The modification must be approved by the Buffalo Mountain Metro District's Architectural Review Committee to assure aesthetic concerns are addressed.
- The roofline will be extended an additional 1½ ft., which will take the roof edge further away from the decks below but will not impact the views.
- Children should not be playing on the grounds behind the buildings, as snow and ice will sheet off the new roof membrane. The Board will investigate adding signage, amending the rules, and increasing insurance liability limits.
- Mr. Storako's initial cost estimate for the work is \$300,000, but he will submit a concrete proposal to the Board as soon as possible.
- The Board has looked at the cost of leaving the gables and trying to address the ice dams with alternative heat tape applications, but including electrical and maintenance costs, removing the gables is the least expensive option over time.
- The work will be done this summer, and should not impact usage since it will not involve unit interiors.
- Owners are responsible for any interior drywall seam cracking, which can be addressed with white caulk and touch-up paint. These types of cracks may appear during the roofing project, but also frequently occur in the alpine climate, and the HOA cannot continue to be responsible for such repairs.

ROLL CALL AND CERTIFICATION OF PROXIES

The following roll call of members present or represented by proxy verified that quorum requirements of 25% of the membership (19 units) were met and that proper notice of the meeting had been sent.

Owners Present:

Unit #	Owner	Unit #	Owner
1B4	Dwight Ballard	4B3	Jim & Nancy Fuller
2A2	Karin Heiser	4B6	Tom Sarafin
2A7	John & Janet Hostetler	5A1	Michael Hoskinson
2B2	Craig Schaefer	5A5	Allan Wachtel
2B5	James Hannam	5B1	Brian Schulze
3B1	Rick & Debby Levinson	5B2	Larry & Marlene Strattan
4A3	Randy Hill	6A2	Joy & Ken Page
4A4	Brad Harris	6A4	Loretta Abbott
4A6	Bob & Bonnie Zishka	6A5	Giles Horrocks
4A7	Susan Majeski	6B1	Michael Schaefer

Owners Represented by Proxy:

Unit #	Owner	Proxy To:	Unit #	Owner	Proxy To:
1A4	Charles Tamblin	President	3B3	Scott Greenfield	President
1A5	Pat DeFazio	President	3B4	Joe Paule	President
1B3	David Holland	President	3B6	Lowell Gilbert	President
1B5	Arthur Turton	President	4A2	Donald Archibald	President
1B7	Eileen Vanek	President	4B1	Charles Mory	President
2A1	Elaine Carlton	President	4B2	Frederick Pillet	President
2B3	Leo Hart	President	4B5	George Rabatin	President
3A2	Judy Brooks	President	5B5	John Swift	President
3A3	Michael Ida	President	6B4	Patricia Lawlus	President
3A4	Elaine Shadwell	President	6B5	Mark Payne	President
3A7	Kurt Johnson	President			

APPROVAL OF MINUTES

RESOLUTION: *Upon motion made by Mr. Hannam and seconded by Mr. Wachtel, the minutes of the annual meeting February 26, 2005, were approved as prepared.*

FINANCIAL MATTERS

Mr. Kilgore's presented pie charts representing both the current fiscal year's budget allocations and the proposed budget for 2006-2007. Snow removal and natural gas expenditures account for 31% to 35% of the operating budget, and 11% of dues are allocated to reserves for capital expenditures each year. While the costs of operating the complex will continue to rise with inflation, the Association benefits from Mr. Snyder's negotiations for services on behalf of all WPM managed properties. Rates for such services as cable TV, trash pick-up, and insurance are well below what one would expect.

MANAGEMENT REPORT

Ms. Walter thanked the owners for allowing WPM to continue to be the property manager. WPM provides the Association's website at www.wildernesthoa.com where all association documents are posted as per the requirements of Colorado statute. There are several new links, including a summary of insurance coverages and the letter from Farmers Insurance recently sent regarding the increase in the HOA's deductible to \$5000 and the ramifications of this to individual owners. Owners were encouraged to keep management posted of any changes in contact information and to please feel free to call via the 24/7 response number regarding any needs or issues at 970-468-6291.

Owners present expressed concerns that the insurance building coverage limits were not adequate based on the square footage of the units, and one owner asked whether a claim has been filed regarding the needed roof repairs. The Board agreed to ask Mr. Snyder to investigate these issues.

FINANCIAL REPORT

Balance Sheet – As of January 31, 2006, assets in all accounts total \$151,504.94. With liabilities of \$55,885.02, the net equity is \$115,619.92. Monies held in the Working Contributed Capital account total \$30,568.65, but this is still short of the level equivalent to three-months monthly dues prescribed by the Declaration.

Major Maintenance Chart (MMC) – The MMC has been updated through January of 2006 year with actuals and budget numbers for this year, and it will need to be updated further with the roofing project just approved when the proposal numbers are available. Reserve allocations on the budget proposal were reviewed, and some of these items, such as window and walkway replacements, need to be extended on the chart.

Budget Proposal – Ms. Walter explained the budget proposal, reiterating points expressed in the cover memo sent with the budget and notice of the meeting. Footnotes to the budget include rate increases for water and sewer, cable TV, natural gas, and management fees, but decreases in trash removal rates and insurance premiums. The two main factors driving the budgeted dues increase are snow removal and natural gas costs.

RESOLUTION: *Upon motion made by Mr. Hostetler, seconded by Mr. Sarafin, and carried with one nay vote via proxy, the Board approved budget proposal for the fiscal year 2006-2007, containing a dues increase of \$34/A units and \$38/B units, was ratified.*

OTHER MATTERS

Owner Requests

- Owners present expressed a vote of confidence in the Board's leadership and the efforts of management over the past months.
- There is a significant amount of snow in some window wells, and concerns were expressed regarding potential damage to the buildings from the snow pressing against the siding and when the snow melts.
- Mr. Storako will be asked to investigate adding additional lighting the stairways entering building six.
- Snow removal and maintenance of the pedestrian walkway along Ryan Gulch Road is the responsibility of the metro district.
- The pool table in the clubhouse needs to be leveled and the cue sticks should be upgraded.

Election of Directors – Two positions on the Board expire this year; one is currently vacant, and the other is that held by Howard Gueck. Due to personal and business reasons, Mr. Gueck is no longer able to serve. Additionally, Mr. Kilgore is putting his unit on the market in March; although he will continue on the Board until it sells, his position will be vacant after that time. The floor was open to nominations.

RESOLUTION: *Upon motion made by Mr. Sarafin, seconded by Mr. Wachtel, and unanimously carried, owner Rick Levinson was elected as a Director of the Association, with a term of office to expire in 2009.*

This left one position unfilled, and with Mr. Kilgore's pending sale, two openings must be appointed as soon as possible. Owners were encouraged to consider serving the Association in this capacity.

Next Meeting Date - The next annual meeting will be held on Saturday, February 24, 2007, at 10:00 a.m. Based on the numbers in attendance, a larger facility will be found and the location will be posted on the website.

ADJOURNMENT

RESOLUTION: *Upon motion made and duly seconded, the meeting adjourned at 12: 00 p.m.*