

**GORE TRAIL AT WILDERNEST
BOARD OF DIRECTORS MEETING
July 27, 2003**

The Board of Directors of the Gore Trail at Wilderndest Homeowners Association met in regular session on Sunday, July 27, 2003. Owners Dave and Leann Emm, Dennis Jennings, Tom Moore, and Ron Shifers, and Directors Tom Sarafin, Merrill Lessley, Pat Defazio, Craig Schaefer, Jim Fuller, Howard Gueck, and Larry Strattan were present. Ed Storako, Project Consultant attended, and Barb Walter, Director of Operations, Property Manager Mike Leavens, and HOA Liaison Pat Rice represented Wilderndest Property Management (WPM). President Sarafin called the meeting to order at 8:41 AM.

APPROVAL OF MINUTES

Resolution: Upon motion made by Mr. Strattan, seconded by Mr. Lessley, and unanimously carried, the minutes of the June 21, 2003 Board meeting were approved as prepared.

MANAGEMENT REPORT

- The metal lip exposed by disintegrating concrete at the second portico of Building #1 has been covered with a rubber mat.
- The Board concurred to pay for the cost of a shade to put on the top of the security light at Buffalo Ridge, estimated between \$35 and \$50.
- WPM will trim the grass along the edges of the property at no extra charge to the Association, even though the management contract would allow for such a charge. The hours involved would be documented and a credit given for the work. The Board requested that the grasses be allowed to seed before this work commenced.
- New hot tub covers must be purchased immediately, as it has been over two months since this action was first directed.
- The silt fences installed by the HOA above the Building #4 carport have been damaged by water run off and will be repaired ASAP.
- Couplings and collars on the cast iron risers for building water shut off valves at two locations at the edge of the parking lot have never been installed and would now involve getting the dirt jettied out of the columns. Bids are being procured and submitted to the Board to have the work done.
- Some lights at the dumpsters were not working the last few nights and need to be checked.
- The dead trees behind the south side of the buildings are not on National Forest property and appear to be within the HOA's property line. Trees already felled will be removed from this area and other trees identified for removal.
- Dead trees throughout the property installed by landscaping must be left until the County assesses these for release of the bond. This assessment should be done in August or September.

UPDATE ON LITIGATION ISSUES

Expert Reports and Total Claim – All of the HOA's expert reports have been submitted. Now that all issues have had costs attached to them, the total claim is in excess of \$5,000,000.00. The increase in the total claim was owing to three main factors: known repairs that now have costs estimates (e.g. drainage), new defects or damages (e.g. mold), and defects previously believed to be fixed but that our experts say are not (e.g. parking lot drainage). The Board emphasized that the amount of the claim was for costs required to repair the property to the level homeowners should have received at the time of purchase and original construction.

Drainage –The Developer had been working on site to their stamped drainage plans; however, the HOA's experts have documented several inadequacies of the work to the plan to date. After watching drainage on the property during the snowmelt of spring and the recent heavy rains, the Board had grave reservations as to the effectiveness of the Developer's drainage plan. Such drainage issues had been noted and documented with digital photography over the past weekend included the following:

- Water was ponding in front of Building #2, Units 2A5 to 2A6, and flowing east instead of west as should be anticipated by the drainage plan.

- The ponding water at Building #2 dropped quickly, but it was not apparent where the water went. A subsequent visual check confirmed that there were no puddles in the crawl space, although the soil was wet.
- Water was bubbling up from the ground at the end of the carport of Building #1, then running across the parking lot.
- The parking lot pan and curbing at the east portico of Building #2 was not deep enough to redirect the water flowing down the parking lot.
- The water still flowed from the parking lot over the timber cribbing at the east portico creating visible erosion.
- Water was seen gushing from off the clubhouse roof and from the driveway and disappearing into holes in front of the clubhouse foundation.

Developer's On Site Work – Although no official notice had been received about the status of the Developer's work on the drainage, the date given for completion on this work, July 15th, had already passed. It is believed the Developer's crew is now working on code issues. The silt fence on the south side of the property had been removed but had been left wadded up in the drainage swales behind the buildings.

Status of Litigation – The HOA's expert reports have been submitted, and the Developer's and General Contractor's (Emers) reports are due by August 7th. The sub-contractors expert reports, brought into the case by Emers, are due by September 7th. The Court date by which to schedule a settlement conference is October 1, 2003; however, this may change at the Court's discretion. The trial date is most of the month of April 2004, and any owner can come to these proceedings.

Assessments – The Board acknowledged the impact of assessments on all owners, and reiterated that these have been levied based on monthly evaluations and ever-changing needs. The Board assured owners that their experts are reputable and reasonable, and known for their veracity. While the amount paid in assessments to date was significant and a financial strain on all, there were too many construction issues that need to be fixed and no funds to fix them without pursuing the litigation. All financial reports, including cost records and engineering and legal itemizations were made available at the meeting and could be reviewed by any owner at Ms. Rice's office at WPM upon request. Owners present requested a letter to all owners further explaining the claim and giving information on the litigation process, and clearly forewarning about the need for future assessments.

Surveys

- Sellards and Grigg, Inc. has been hired to complete the as-built survey of the property required by the HOA's experts, and the work is currently in progress.
- The Developer had paid for the re-surveying of the wall for comparison to previous surveys and to determine further wall movement. This was done in June, but the data has not yet been provided to the HOA's experts.

RECESS - A recess was called at 10:25 for a ten minutes break. Owners Dave and Leann Emm, Dennis Jennings, and Tom Moore left the meeting at this juncture.

FINANCIAL REPORT

From the financial summary for the month ending June 30, 2003:

- Total assets were \$94,879.46 with \$64,467.10 in Operating, \$15,759.40 in the regular Reserve, and \$14,652.96 in the two Special Reserve Accounts.
- Liabilities totaled \$41,978.45.
- The total equity (assets less liabilities) for all accounts was \$52,901.01, with \$22,488.65 for the Operating Account, \$15,759.40 for the regular Reserve Account, and \$14,652.96 for the Special Reserve.
- The Operating Account, year to date was \$991.47 ahead of budget.
- Although the balance in the regular Reserve Account was still low, only \$15,759.40, this balance increases with the regular monthly contributions of \$2,166.00.

- Invoices received through July for the Special Reserves totaled \$123,631.03 and income from July assessments will be \$100,004.00.
- With the balance at the end of June of \$14,652.96, and including estimates for legal, administrative support, and consulting of \$30,500.00 the estimated projected balance for July is a negative \$39,474.07.

The Board discussed estimated expenses related to construction defects and litigation through September. It was noted that the projected expense item for recharging the antifreeze in the sprinkler systems of \$15,580 could be done later in the summer. Further discussion of financial needs was tabled until later in the meeting.

Delinquency Report – Payment of assessments through July had been received on one unit in arrears. Another unit is now 60 days in arrears and the collection policy is being followed in this matter. Collections of dues and assessments remain excellent with many owners paid ahead. The Board requested that an invoice accompany the mailing of the memo with any future assessments.

Audit Proposals – Two proposals were presented for the Board’s consideration and discussion followed.

Resolution: Upon motion made by Mr. Lessley, seconded by Mr. Schaefer, and unanimously carried, the Board approved the proposal from the firm of Swift & Quandt for an audit of the HOA’s finances, to be scheduled in October 2003.

RECESS – The meeting recessed for lunch at 12:00 p.m., reconvening at 12:26 p.m. Mr. Storako left the meeting during this period to check the status of water under Buildings 1 and 2.

DEPARTMENT THREE FINANCIAL STATUS

Discussion recommenced regarding the status of the Special Reserves Account and the need to determine priorities and monies available regarding repairs that must be done this year. Necessary repairs included the following:

- A system to prevent water penetration into the clubhouse crawlspace.
- Repairs to the stepped footing infills and stem wall footing under the clubhouse.
- Mold remediation under the clubhouse.
- Matting to address areas of erosion.
- A method to address the silting at the west end of Building #2.
- A permanent sump pump under Building #1.
- Caulking the walkway joint connections on the north side of the buildings.

Mr. Storako and Ms. Rice will review property issues for a more complete report on necessary repairs and cost estimates for the work. The need to know exactly what the Developer planned to do in addressing any of these matters and issues involving any necessary permits were also discussed.

OTHER BUSINESS

Security Issues – An owner voiced concerns about the Developer’s crew loitering on the property. Mechanical room doors were frequently left open at the end of the day and a boiler room key was found under Building #1.

Resolution: Upon motion made by Mr. Strattan seconded by Mr. Schaefer, and unanimously carried, the Board directed the locks to all boiler rooms be changed for security reasons.

Clubhouse Window – Mr. Storako should contact Linford Glass about a broken window seal on one window in the clubhouse.

Property Assessments – Owners present who had protested their property tax assessments to the County Assessor’s office did get their assessments reduced.

Owner Requests

- The Board considered an owner's request for reimbursement for the cost to replace a stress-fractured window. The current policy was that the HOA would have stress-fractured windows replaced and include these costs in the claim.

Resolution: Upon motion made by Mr. Strattan, seconded by Mr. Gueck, and unanimously carried, the Board approved reimbursing the owner the usual and customary cost of replacing the same window.

- Responding to an owner's request that the Board consider placing bike racks on the property, WPM should consider possible locations and get bids for the cost of installation and report to the Board during the weekly email updates for action on this issue.
- The Board clarified that should an owner wish to install screen doors on the unit, the request should be submitted in writing and include specifications.

Communications – Ms. Rice should email the Board with weekly updates with input from Mr. Storako.

Meeting Dates – The next Board meeting was scheduled for Saturday, August 23, 2003 at 8:30 a.m. at the clubhouse. The next annual meeting was scheduled for Saturday, February 28, 2004.

ADJOURNMENT

The meeting adjourned at 2:08 p.m.