Dear Association members,

The community needs your help! The Association is required to hold its annual membership meeting every year, and it requires 50 members in attendance to have a quorum. For the past two years, we did not have enough members in attendance for a quorum, so please plan on attending so necessary business can be conducted. The Annual Meeting is planned for Saturday August 21, 2010 (10:00 AM) at the usual place, the North Routt Fire station. Your participation is appreciated and important.

The comment was made at the last community meeting that people are satisfied with the progress in the community, resulting in the low participation. Perhaps not entirely accurate, but the Association does find itself in an improved situation over years past. Our financial position is improved with an adequately funded reserve, the backlog of significant infrastructure projects reduced, and legal liabilities/costs reduced. As a result, the Board is recommending a 10% decrease in dues for members who pay early. For 2011, the discount will increase from 20% to 30% of assessment for paying before March 31.

Dues Decrease / Budget: Finances are generally in line with the budget discussed last year, and the Association should meet its goal of having a surplus in excess of $50,000. Our community does not have the typical HOA assets that require a reserve fund for replacement, such as roofs, boilers, pools, etc. The primary purpose of the reserve for our community is contingency for delinquent accounts, unexpected legal actions, and unexpected maintenance expenses. The proposed budget for 2011 is based on increasing this reserve while continuing to fund maintenance and improvement of the community. We have been able to hold Association dues the same since 2001, and the Board feels that due to the improved environment of the community, it is warranted to increase the discount for those paying by March 31 to 30%. The 2011 budget and 2010 YTD financial statements are posted on the web site www.wcpva.org, under “Board of Directors” tab.

In Colorado, state law provides that Associations like ours have the authority to foreclose and seek sheriff sale of properties with delinquent accounts. The Board is in process of getting court orders for sheriff sale of half dozen homes for unpaid snow removal and/or annual dues assessments. Hopefully these accounts will be resolved before this action is finalized. Individuals with unpaid accounts are responsible for all legal fees and costs associated with collection, which quickly amount to significantly more than the original unpaid balance. We encourage those of you with unpaid accounts to contact Double H Management.

Road improvements: The community now has road base on all of the properly constructed roadways in the subdivision!! This has been a significant part of our budget over the past decade. This spring, road base was applied to the remainder of Olive Street, which completes the task of getting the first application on all roadways, and most roads have two, and some cases three road base applications. The Board has budgeted $50,000 in 2011 for roads, and this is targeted for drainage issues, additional road base on existing roads, and other ongoing maintenance. As property owners construct new roads with proper width and depth of pit run material, the Association will be providing road base, but the Board does not anticipate any new construction for the foreseeable future.

Driveways and driveway culverts are the responsibility of the homeowner. Please keep your culvert in good repair, clear of dirt and debris, and ensure your driveway does not slope directly onto the roadway so as to prevent any runoff from your property from going onto the roadway. Water and material flow from driveways increases maintenance costs of the roadways. The elevation of your driveway at the edge of your property (ROW) should be at, or below, the road grade.

School District Parcels: The Steamboat Springs School District owns two 21-acre parcels in our community. These are located on the West side of Hwy 129, and cover the area adjacent to the roadway for the length of Willow Creek Pass (over 3000'), at a width of 500'. These parcels are part of the community's Greenbelt Parcel A, filing 2, and deeded to the District in 1972 in anticipation of the potential school needs of the original
subdivision (in excess of 2200 homes). Covenants and Restrictions designating that these parcels can only be used for the use and enjoyment of all the owners were recorded as restrictions to title a month before transfer to the District, and are still in force. These cannot be changed by the Board, nor the County Commissioners, without a process requiring votes from the entire membership.

Despite the increased education needs of North Routt, as illustrated by the North Routt Charter School expansion plans, the District has notified the Board that it wants to sell the property for private residential use, and take the proceeds for general funds use of the District. This intended use is a violation of the covenants.

Community input will be sought on this issue at the annual meeting.

Parcel C, Filing 4: A 29-acre Greenbelt parcel, directly across HWY 129 from the School District parcels, is currently owned by Routt County, who gained title at about the same time in 1972 as the School District. In all likelihood, title was given to (or taken by) Routt County with the same anticipation of needing land to address issues from a 2200 home community. The Board has discussed this parcel with County Planning, as well as the County Commissioners, as it deals with Filing 4 access to Black Horse Drive, as well as future hiking/biking trails.

The County seems amenable to cooperate with the Association to address our needs. The County is exploring transfer of parcel C back to the Association, as they realize the pretenses under which they acquired title are no longer valid. We will discuss this parcel and the transfer status at the annual meeting.

Filing 4 access, Black Horse Drive: One of the last problems from the original subdivision filing is the access for Black Horse Drive. There are 51 lots on this roadway, yet there is a part of the road that crosses a corner of forest service land for about 1000'. Seems that the original developer, while busy constructing ski runs, golf courses and club houses, ignored getting this access designated for Black Horse Drive. With the federal roadless rules, this issue is now a bit difficult to resolve. A property owner on Black Horse Drive submitted a proposed lot consolidation of some of these lots, with planned access being a mile long private driveway cut across community greenbelt. This was rejected, being a violation of covenants as well as existing agreements covering the use of the land.

The Board has contacted Routt County on the issue, as Black Horse Drive is a county roadway. The Board and County are reviewing several scenarios to address the access issue with USFS, and these will be discussed at the annual meeting.

Pine Beetle Infestation: The USFS project east of the subdivision is in the final stages of planning. The final Environmental Impact Statement is out for comment, and once this is done then contracts can be awarded. Earliest anticipated start date is mid-September, but any additional delays will require the project to move to 2011. Susan Marshall will have updates on this project as well as BLM lands for the annual meeting.

Covenant violations / ECC: At the 2009 Annual meeting, the community discussed the existing covenants and construction guidelines, and the direction from the community was for the Board to more vigorously enforce these restrictions. In response, the Board has contacted numerous households in our community to get issues addressed, with varying degrees of success. Many have responded in a positive manner, either addressing the issue or discussing with the ECC/Board in a reasonable manner to address the issues. Of course, in issues such as these, there are a couple who adamantly refuse to address the issues. The Board established a process where a resident has 30 days to address the issue (as specified in the covenants), then is fined at $25.00 per day until it is completed. Please note that the courts have upheld these daily fines and an Association’s right to collect, even when they have been accruing for many years.

Our community is governed by a set of covenants and restrictions (CC&Rs), which were established in 1972(and 2001), and are a restriction to title to all property within the subdivision. When each of us purchased our property, we agreed to abide by these simple guidelines. We each have a responsibility to maintain our property within these guidelines, as well as have the reasonable expectation that everyone in the community will do the same. These guidelines are available on the Association’s web site, and include keeping home and lot from being unsightly, keeping improvements in good state of repair, burying (or properly screening) fuel tanks,
Keeping pets under control, meeting community standards for construction and fencing, etc. Our community’s CC&R’s are more lenient that most other communities, but still establish a minimum standard we all must meet.

**New Construction:** As a reminder, any construction that occurs in the subdivision must first be approved by the Environmental Control Committee. This includes homes, garages, sheds, and site work. Design submittals can be made to the management company, and the procedures and requirements are available on the web site (www.wcpva.org).

**Water & Sanitation District:** The Steamboat Lake Water & Sanitation District (SLWSD) is governed by a separate Board of Directors, and is not part of the Association. The SLWSD contact information is contained at www.slwsd.us and questions regarding tax issues, bills, water leaks, road damage, etc should be directed to the SLWSD Board.

**By-Law revisions:** This year, we will again attempt to make two minor revisions to the By-Laws, as we have not had a quorum to get these passed in the past two meetings. The first will allow proxies to count toward meeting a quorum for future annual meetings. Currently, the By-Laws (Article IV, section 4) require 50 members in attendance. State law allows for proxies to establish a quorum, unless by-laws specify otherwise. This proposed change modifies the By-Laws to reflect standard practice and state law, and will make getting a quorum much easier in the future.

The second By-Law revision removes the restriction (Article IV, section 2) that annual meetings must be held in July or August. This will provide the flexibility for the meeting date to be set by the membership at a time it chooses, and provides the option to reschedule in case a meeting is canceled or a quorum not reached.

So for the remainder of 2010, the Board will focus on maintaining an adequate financial reserve, continue with covenant enforcement and collections of unpaid accounts, and continue to pursue resolution of the greenbelt parcel issues. As collections and finances warrant, further roadwork and drainage projects will be conducted.

Enjoy the summer, and we hope to see you August 21

Sincerely, Board of Directors

**Board of Directors:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Class / Term Expiration</th>
<th>Telephone</th>
<th>EMAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lanny Mack (President)</td>
<td>At Large / 2010</td>
<td>720-333-5631</td>
<td><a href="mailto:lanny.mack@wcpva.org">lanny.mack@wcpva.org</a></td>
</tr>
<tr>
<td>Susan Marshall (Vice Pres.)</td>
<td>Class A / 2010</td>
<td>970-871-8030</td>
<td><a href="mailto:susan.marshall@wcpva.org">susan.marshall@wcpva.org</a></td>
</tr>
<tr>
<td>Tim Stone (Sec/Treas.)</td>
<td>Class A / 2010</td>
<td>970-871-9548</td>
<td><a href="mailto:tim.stone@wcpva.org">tim.stone@wcpva.org</a></td>
</tr>
<tr>
<td>David Kliewer</td>
<td>Class B / 2010</td>
<td>719-598-3536</td>
<td><a href="mailto:david.kliewer@wcpva.org">david.kliewer@wcpva.org</a></td>
</tr>
<tr>
<td>Pat Aiello</td>
<td>Class C / 2010</td>
<td>303-674-2888</td>
<td><a href="mailto:pat.aiello@wcpva.org">pat.aiello@wcpva.org</a></td>
</tr>
<tr>
<td>Ron Davies</td>
<td>Class D / 2010</td>
<td>970-846-9647</td>
<td><a href="mailto:ron.davies@wcpva.org">ron.davies@wcpva.org</a></td>
</tr>
<tr>
<td>vacant</td>
<td>At Large</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Management Services:**

Double H Management  
Sue or Hans Hochreiter  
970-879-6697  
suehans@mindspring.com

**Environmental Control Committee Contact:**

Tim Stone  
970-871-9548  
tim.stone@wcpva.org

**Website:**  
www.wcpva.org  
contact info, meeting minutes, newsletters, Association documents, etc.
ANNUAL MEETING NOTICE:
Saturday August 21, 2010

The 2010 Annual Meeting will be held on Saturday August 21 2010 at the North Routt County Firehouse, located on County Road 129, past the Steamboat Lake Visitors Center. Please park in designated areas only and do not block emergency vehicles.

10:00 A.M. 2010 ANNUAL MEETING
1. Introduction / Overview
2. Annual Meeting minutes
4. Finances – 2011 Proposed Budget
5. School District Parcels
6. Black Horse Drive, Parcel C
7. Covenant enforcement
8. Pine Beetle Infestation Projects
9. By-law revisions
10. Election of Board of Directors
11. Open Forum
12. Adjournment

Due to the lack of quorum for past two years, all Board position terms have expired, so all seven positions on the Board are up for election this year. Board positions are for three-year terms, however vacant positions due to resignations are only for the remainder of the existing term. The attached proxy ballots shows the people who have expressed an interest for running for the Board, but additional nominations are accepted from the floor at the Annual Meeting. Elections will be held for the following seven Board of Director positions:
- one Class A position for 3 year term
- one Class A position for 2 year term
- one Class B position for 2 year term
- one Class C position for 3 year term
- one Class D position for 3 year term
- one At-large position for 1 year term
- one At-large position for 1 year term

PROXY VOTING

There will be a few issues to be voted on by the membership at the Annual Meeting. If you are planning on attending, it is not required that you mail in your vote or proxy. There are two proxy ballot options; a “Directed Proxy” and a “Discretionary Proxy.” The Directed Proxy allows you to name the Board of Directors or an individual to cast your vote as you direct, or you can direct them to cast your vote as they decide (Discretionary Proxy).

All DUES, FINES, AND ASSESSMENTS MUST BE CURRENT FOR YOUR VOTE TO COUNT

Class A members have 10 votes, Class B members have 5 votes, Class C members have 1 vote, Class D members have 5 votes. All mailed Proxy Ballots must be received no later than August 20, 2010- in order to be counted at the Annual Meeting.

IMPORTANT: If you are not planning to attend the 2010 Annual Meeting, PLEASE fill out the attached proxy ballot and mail to:

Double H Management (proxy vote)
c/o WCPVA
PO Box 775836
Steamboat Springs, CO 80477-5836.
DIRECTED PROXY BALLOT
REGARDING ALL ISSUES VOTED ON AT THE 2009 ANNUAL MEETING

I / We, __________________________________________ direct that __________________________________________
(your name or names) (entity, or name of person, casting your vote)
shall cast my / our vote as follows for the election of Board of Directors.

Class A Director:
(3 year term)
_____ Tim Stone
_____ Write In: ________________________________

Class A Director:
(2 year term)
_____ Ron Davies
_____ Write In: ________________________________

Class B Director:
(2 year term)
_____ David Kliewer
_____ Write in: ________________________________

Class C Director:
(3 year term)
_____ Pat Aiello
_____ Write in: ________________________________

Class D Director:
(3 year term)
_____ Write in: ________________________________

At Large Director:
(1 year term)
_____ Write in: ________________________________

At Large Director:
(1 year term)
_____ Write in: ________________________________

By-law revision #1: Allow proxy ballots to determine quorum:
_____ Yes, In favor
_____ No, Opposed to by-law revision #1

By-law revision #2: Remove July/August annual meeting restriction:
_____ Yes, In favor
_____ No, Opposed to by-law revision

DISCRETIONARY PROXY BALLOT
REGARDING ALL ISSUES VOTED ON AT THE 2009 ANNUAL MEETING

I / We, ________________________________ direct that __________________________
(your name or names) (name of person or entity casting your vote)
shall cast my / our vote at their discretion regarding all issues before the membership at the 2008 Annual Meeting.

OR

DIRECTED PROXY BALLOT

I / We, __________________________________________ direct that __________________________________________
(your name or names) (name of person or entity casting your vote)
shall cast my / our vote as follows for the election of Board of Directors.

Class A Director:
(3 year term)
_____ Tim Stone
_____ Write In: ________________________________

Class A Director:
(2 year term)
_____ Ron Davies
_____ Write In: ________________________________

Class B Director:
(2 year term)
_____ David Kliewer
_____ Write in: ________________________________

Class C Director:
(3 year term)
_____ Pat Aiello
_____ Write in: ________________________________

Class D Director:
(3 year term)
_____ Write in: ________________________________

At Large Director:
(1 year term)
_____ Write in: ________________________________

At Large Director:
(1 year term)
_____ Write in: ________________________________

By-law revision #1: Allow proxy ballots to determine quorum:
_____ Yes, In favor
_____ No, Opposed to by-law revision #1

By-law revision #2: Remove July/August annual meeting restriction:
_____ Yes, In favor
_____ No, Opposed to by-law revision

Signature of Voting Member

Lot _______ Filing _______

Address____________________________