Dear Association members,

It is that time of year, time for our annual membership meeting. The Annual Meeting is planned for Saturday, September 8th, 2012 (9:00 AM) at the NORTH ROUTT CHARTER SCHOOL in Clark, CO.

Your attendance is important and appreciated. This is your opportunity to give feedback to the board along with direction. Even though we do not need 50 members present, we still need a certain percentage of proxy votes cast to constitute a quorum. If you are not able to attend, PLEASE SEND IN YOUR PROXIES.

Dues Decrease / Budget: First, the board would like to thank all the members who took advantage of the 30% discount offered for those who pay by March 31st. We had a large number of members pay by March 31st. This helps the overall financial stability of the association while putting money in your pocket.

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 $60,000. 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 a contingency for delinquent accounts, unexpected legal actions, and unexpected maintenance expenses. The proposed budget for 2013 is based on maintaining this reserve while continuing to fund maintenance and improvement of the community. The 2013 budget and 2012 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 a small number of 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 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 Golden Tide, Saturn Court, and Green Bird Place along with adding road base on thin areas of the roads throughout the subdivision. The Board has budgeted $30,000 in 2012 for roads, and this is targeted for drainage issues, additional road base on existing roads, dust control 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. The association will continue through this summer and fall to address ditch and drainage issues.

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.

Finally, we continue to maintain our fence to the North of our subdivision.

School District Parcels: The Association closed on the school district parcels last fall after receiving approval from the membership. We made an initial payment at closing. We have then made a payment of $20,000 this spring as part of our agreement with the school district. The school district did finance at 0% interest for the purchase of the lots. The association is responsible for 3 more payments of $20,000 each due every spring through 2015.
**Pine Beetle Infestation:** The USFS logging project east of the subdivision was completed last fall. On the west side of the subdivision between C.R. 129 and the greenbelt east of Jupiter is BLM land. The BLM has been working towards logging their property to remove many dead trees which pose a fire hazard along with a falling hazard. They have completed their environmental study and are in the process of hiring a logging contractor to remove the dead trees. The association will work with the BLM and the logging contractor to log the greenbelt between Jupiter property owner’s land and BLM land. The greenbelt has many dead trees like the BLM land. The association is in the process of applying for a grant that should pay for the logging of our greenbelt. At this point, we will budget money for this project but feel confident the association will be successful in receiving the grant. We are still hoping to see the logging take place this year.

**Covenant violations / ECC:** At the 2011 Annual meeting, the community discussed the existing covenants and construction guidelines, and the direction from the community was for the Board to continuously enforce these restrictions. In response, the Board has contacted the households who clearly are not in line with our community code 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 few 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&Rs are more lenient than 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 Double H 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.colorado.gov/SLWSD](http://www.colorado.gov/SLWSD) and questions regarding tax issues, bills, water leaks, road damage, etc should be directed to the SLWSD Board.

**Trail System:** There has been expressed interest in adding recreation opportunities. There was support both from the members at the meeting and from the survey we put out last year to research a trail system. The board has added a line in the budget of $10,000 to go towards a study and plan for trails. This will allow the association to research the feasibility of a trail system as well as develop a plan. Once we complete this first step, the association could then look at the costs to build the trail system as well as a phasing plan to implement. By accepting the budget, the board will take the first step. By rejecting the budget with the trail system budget line, the board most likely will move the funds towards reserves.
Covenant Change Proposal: The board of directors has been notified that a member of the community has chickens. Though are covenants has a paragraph about pets, there is no specific animal defined as included or excluded. Our covenants say the following:

C. Animals. No animals shall be kept or maintained on any lot in the Development, except the usual domestic household pets; and in such cases, such household pets shall be kept confined or attached to a leash so as not to become a nuisance. No animals may be raised for commercial purposes.

The board did seek the advice of our counsel and our counsel presented the following professional opinion:

The covenants used some very helpful language. Not only are pets limited to "household" pets, they are limited to "usual domestic" household pets. To me, it is clear that the drafters of the covenants intended to limit animals to the type of animals that most people would commonly expect to live inside a house, like dogs and cats.

That being said, the words are not specific and do not list the types of animals that are prohibited. The general rule is that restrictive covenants are strictly construed to not expand their application beyond the express words.

The member of the community with chickens asked the board for the opportunity to add language to the covenants to allow chickens with certain restrictions. The board is divided and feels this is beyond the board and needs to hear from the membership. The board is requesting that the membership make their opinion known by voting on the ballot initiative to amend the covenants. The change proposed would add a single sentence to the Animals section as follows.

The only exception to the foregoing being that up to 10 chickens (no roosters) may be kept on a lot as long as they are confined and do not become a nuisance.”

Please see Ballot for your voting opportunity.

Board of Directors: There are two seats up for election this year, a “class A” position along with a “class B” position. In addition, a board member who is in the process of moving out of our subdivision and selling their home has asked the board to seek a volunteer for their position which is an “at large” seat. Your participation is needed. We believe the community is better served with a full board. Anyone who is interested, please attend the annual meeting. These are volunteer positions and we thank all those who have dedicated their time and energy to serving their community.

So for the remainder of 2012, the Board will focus on maintaining an adequate financial reserve, continue with covenant enforcement and collections of unpaid accounts, and continue to maintain roads and assets. As collections and finances warrant, further roadwork and drainage projects will be conducted.

Enjoy the rest of the summer, and we hope to see you September 8th.

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>Ron Davies (President)</td>
<td>Class A / 2012</td>
<td>970-846-9647</td>
<td><a href="mailto:ron.davies@wcpva.org">ron.davies@wcpva.org</a></td>
</tr>
<tr>
<td>Rusty Baker (Vice Pres.)</td>
<td>At Large / 2014</td>
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</tr>
<tr>
<td>Tim Stone (Sec/Treas.)</td>
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<tr>
<td>David Kliewer</td>
<td>Class B / 2012</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 / 2013</td>
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</tr>
<tr>
<td>Bill Pass</td>
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<td>303-886-8251</td>
<td><a href="mailto:bill.pass@wcpva.org">bill.pass@wcpva.org</a></td>
</tr>
<tr>
<td>Jeannie Lodwick</td>
<td>At Large / 2014</td>
<td>303-789-0417</td>
<td><a href="mailto:jeannie.lodwick@wcpva.org">jeannie.lodwick@wcpva.org</a></td>
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Management Services:
- Double H Management Sue or Hans Hochreiter 970-879-6697 doublehsue@gmail.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, September 8, 2012

The 2012 Annual Meeting will be held on Saturday, September 8, 2012 at the NORHT ROUTT CHARTER SCHOOL, located on County Road 129, just past The Clark Store.

9:00 A.M.  2012 ANNUAL MEETING
1. Introduction / Overview
2. Annual Meeting minutes
4. Finances – 2013 Proposed Budget
5. Covenant enforcement
6. Pine Beetle Infestation Project
7. Recreation opportunities and a Trail System
8. Our covenants with the regard to chickens and should language be added to our covenants.
9. Election of Board of Directors
10. Open Forum
11. Adjournment

Board positions are for three-year terms. Elections will be held for the following two Board of Director positions.

- one Class A position for a 3 year term
- one Class B position for a 3 year term
- one At-large position for a 2 year term, replace a board member resigning.

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 September 7th - in order to be counted at the Annual Meeting.

IMPORTANT: If you are not planning to attend the 2012 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.
DISCRETIONARY PROXY BALLOT
REGARDING ALL ISSUES VOTED ON AT THE 2011 ANNUAL MEETING

I / We, ____________________________ direct that ____________________________
(your name or names) (entity, or name of person, casting your vote)
shall cast my / our vote at their discretion regarding all issues before the membership at the 2012 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 Ballot Measure to Authorize Purchase of 2-21 acre Parcels currently owned by the Routt County School District.

The only exception to the foregoing being that up to 10 chickens (no roosters) may be kept on a lot as long as they are confined and do not become a nuisance."

Approve ______
Disapprove ______

Election of Board of Directors.

At “Class A” Director: (3 year term) _____Write in: _______________________

At “Class B” Director: (3 year term) _____Write in: _______________________

At “At Large” Director: (2 year term) _____Write in: _______________________