

WILLOW CREEK PASS VILLAGE ASSOCIATION
ANNUAL MEETING
JULY 29, 2006

President Lanny Mack called the annual meeting of the Willow Creek Pass Village Association (WCPVA) to order at 10:10 am. Board members present were Susan Marshall, Pat Aiello, Chris Carbone & David Kliewer as well as Sue and Hans Hochreiter of Double H Management. Quorum was established as exhibited by the sign in sheet and proxies. Meeting proceeded.

Overview- Lanny presented an overview of current association and subdivision status. The association is in good financial position, several improvement projects are proceeding, the board does not foresee an increase in annual dues assessments, new home construction continues, and property values are on the increase.

Board members Dan Haveron and Rebecca Phillips resigned during the year. Chris Carbone was appointed to Dan's position for the remainder of the year, and Rebecca's position is vacant. Both will be filled by election at this meeting. Board assigned Susan Marshall to chair the ECC and appointed Tim Stone, Christine Pearson, and Dan Myers as members. Double H Management continues to provide accounting and management services, and Alan Keeffe of Cage, Williams, Ableman continues as legal counsel.

The board has established a web site (www.wcpva.org) for members to access board minutes, governing documents, ECC guidelines, newsletters, contact information, etc.

Lanny explained community is governed by Covenants, Conditions, Easements and Restriction (CC&Rs) established in 1972, and modified in 2001. These are condition of title to all property in Filings 1-4. The Association and By-laws were established in 1984. By-laws and CC&Rs are available on the web site. Additionally, state statutes under Colorado Common Interest Ownership Act (CCIOA) regulate the board and members. CCIOA has been modified numerous times, most recently by SB5-100 and SB6-86. The Association is in compliance with these statutes, and communication requirements under these statutes are met via information availability via the web site.

There are currently 146 homes in the subdivision, with 13 new homes approved in the past year. As density increases, there are more issues reported to the board regarding snowmobiles, ATVs, dogs, and home maintenance issues. There is \$145,000 in the bank, \$100,000 earmarked for projects this summer.

New law requires Association to discuss any litigation. One foreclosure is ongoing, with resident in process of paying all outstanding debt. One lawsuit was filed against the Association during the past year. A past property owner with a multi-lot agreement disputed a \$15,000 assessment at time of closing, and sued to recover. The judge ruled in Association's favor awarding \$18,254 in Association assessments, interest, and legal fees. Board anticipates initiating additional legal actions for collections on unpaid accounts in the next year.

North Routt Fire Protection District - Fred Wolf, Treasurer and Bob Reilley, Fire Chief, spoke to members regarding district's financial position and current activities. After presentation of operation details, they requested support for mill levy increase, and requested volunteers. The fire dept invited homeowners to participate in an upcoming meeting to discuss and develop the North Routt Community Wildfire Protection Plan.

Steamboat Lake Water & Sanitation- Kathleen Titus, President, introduced the SLWSD board: Robert Hulton, Robin Reade and Karen Custer. They have one vacancy on the board and invited owners to serve. The SLWSD is regulated by the State, and is responsible for waste treatment and water supply. The district is currently expanding the waste treatment plant to a capacity to treat 300 homes. The board has acquired grants, and lined up reduced cost loans from the state, but the construction cost has created funding shortfall. The board is considering raising water & sewer fees, as well as establishing availability fees for class B owners (\$250 to \$600 per year). Fees could increase to \$1100 to \$1500 per year.

Minutes - Lanny asked members if there were any changes or comments to the minutes of 2005 annual meeting. Dave Hessel mentioned that his comments regarding speed limit sign were not in minutes. Dave Moss moved to accept minutes as written from 2005 annual meeting. Pat Johnson second. All in favor.

Annual Meeting- Lanny suggested that next year's meeting be the first Saturday in August at 9am. Michael Baldwin moved to accept this date for meeting next year. Steve King second. All approve.

Financials- Lanny presented an overview of Balance Sheet and Profit / Loss statements for June 30, 2006. Total current assets are \$146,566.07 with \$28,494.73 in accounts receivable. Approximately \$100,000 is earmarked for the roads and improvement projects this summer. There was an increase in mag-chloride cost from 35cents to 50 cents a gallon, increasing cost to \$10,000 for dust control. \$13,000 in accounts receivable is past due and these people will receive notices, and foreclosure procedures will begin if payments aren't made. Total assessments are \$127,000: Class A- \$69,600; Class B- \$31,500; Class C-\$10,050 and Class D-\$15,750, with \$22,000 discount for early payment by March 31.

The Board contracted for an audit of financials for past two years, for a cost of \$4,000. Audit report made no revisions to financial statements, and Lanny stated that the auditors were pleased with the record keeping, reports, and board procedures. All was in order and they did not have recommendations for improvements.

Question raised regarding association purchase of lots 16 & 17, Filing 1. Board recognized need for a community parcel to address future needs such as housing equipment for snow removal, cluster mailboxes, etc. Board has no specific development plans at this time.

Road Projects/Snow Removal – Board continues to apply road base to all adequately constructed roads in the subdivision. Priorities are roads that serve houses, then by date of construction. All roads serving homes will have road base this summer, and entire subdivision completed in 2007. Snow removal assessment should be about the same for the upcoming year, but actual assessment will be made in October.

By-law Revisions- Two proposed By-law revisions were adopted by the board, and mailed to all members with the annual meeting notice.

Ballot issue #1: Article IX-Assessments - Board proposes to eliminate the multi lot agreement provision from the By-laws. Only a few people executed an agreement since inception in 1984, and currently only one property owner has an active agreement. Multi lot agreement states that the owner of a house and adjacent lots can defer the assessments on the adjacent lots until such time that the lots sell, or re-platted. At that time of sell, all assessments are due, plus 6% interest. Lanny explained previous By-law revision excluded road assessments from this provision, and the recent court case excluded annual assessments from this provision. Therefore, it has no effect. Additionally, it is difficult to implement and manage given the long term of the agreements, infrequent use, and specialized treatment of few property owners.

Roy Powell spoke in opposition to eliminate this agreement. He felt that when you buy a lot and adjacent lots, that these should be treated as a single lot. He stated the cost of assessments and taxes on vacant lots penalizes vacant landowners, and encourages development and high density. Lanny explained that a person could file a lot consolidation with the County, a relatively inexpensive process, and then it would be only one lot for assessments. Lanny asked members to vote via written ballot. Class A 10 votes; Class B & D 5 votes and Class C 1 vote.

Ballot issue #2: Article VI-Board of Directors – Pat Aeillo explained the board is proposing a change to the qualifications for the Board of Directors positions. This change has two parts: first an owner of multiple classes of lots would be eligible to run for a position for any Class director for which the owner had property. Currently, owners are limited to the highest class owned. Second, in the event there are no nominations or volunteers for a position, the position will become an At-large

position for a term of one year. Pat explained the need for active Board members, and full Board membership. Class D position has been vacant for 6 years, and these changes would open positions to more volunteers. No further discussion, voting proceeded via written ballot.

Covenant Enforcement - Chris Carbone explained the Board's approach to Covenant and Rules & Regulation enforcement. In the past the board was complaint driven, but they would like to be proactive and solution driven. He explained that the board divides up the subdivision and monitors the areas. They'll make a list of what they see as a covenant violation and contact the homeowner to figure out a solution within a timely manner. If this does not solve the problem, then Double H is instructed to write a letter to the owner stating the covenant violations. If it is still unresolved the board will fine the owner. The final action will be a legal one, i.e. violation is turned over to the attorney.

Chris explained the main violations are dog issues, (barking and dogs roaming without owners in range), fuel tanks not buried or screened, storage of "stuff" in roadways, clutter around homes, homes in disrepair, and ATV noise and trespassing. Chris explained that the association guidelines typically mirrors county law, and the CC&Rs and Rules & Regulations are available on the web site..

Dogs at-large have created a problem, as there are more people in area, more dogs. One owner spoke up and said she does not like dogs jumping up on her or approaching her as she takes a walk around property. All dog owners must be with their dogs. Chris asked all homeowners to call Routt County Animal Control and Sheriff. He asked for homeowner cooperation in addressing the issues. He also stated that the issue of ATV's and dirt bikes are becoming an issue this summer. Board was complemented on their coalition with owners to improve last year's problem with snowmobiles.

ECC – Susan Marshall, ECC chair, spoke about process for new construction. The board implemented a new set of guidelines this past year, and the ECC has enhanced its approval procedures, with the intent to improve property values and monitor construction. The ECC has 30 days to review a project application, but typically take less than 2 weeks. The guidelines and review process are available on the web site.

Each ECC member takes a portion of the projects and monitors these through construction. The ECC stats are as such; 5 projects in 2004, 20 projects in 2005, and 3 projects for 2006 to date. All owners that build must pay a \$1,000 road deposit fee. This is refunded to them a year after they receive their CO, if the road is in good shape and the project is completed as submitted. There is one contractor that consistently violates all rules for construction, the board has determined that property owners using these contractors will be charged \$5,000 for road deposit.

Entryway Improvements – Susan Marshall is the board member overseeing this project. Susan explained the Board is improving three entryways this year, with the old signs being removed. The new signposts are currently under construction. Dirt, contouring, boulders, and landscaping will be added in the spring.

Budget – 2007 Budget was mailed with annual meeting notice, and distributed at this meeting. Lanny presented brief overview, and asked if the members had any questions, comments or changes to the budgeted items/numbers. There were none.

Motion: Dave Moss moves to accept the budget as presented. Pat Aiello 2nd. All in favor.

Election Board of Directors- Pat Aiello told members the board had received a letter from Patrick Johnson, Class D owner expressing interest in running for the board. Patrick Johnson spoke to the members and said he had been an owner for 8 years and owns a Class D lot. He has served for 15 years on the board of his HOA for his home.

Chris Carbone is on the board but was appointed to fulfill a vacant spot. He would like to stay on board for the remainder of the term. He has been owner of a home for 1 year and plans on living in subdivision for a very long time.

Lanny volunteered to run for reelection as an at large candidate.

Board needs one more candidate to represent an at large position that has been vacated by Rebecca Phillips. This position has 2 years remaining to the term. Dave Hessel volunteered and explained he has been a homeowner for 6 years, will be retiring soon and will be spending more time at WCPV.

Pat Aiello asked if there were any other candidates interested in running on the board. Dave Kliewer moved to close nominations. Dave Moss 2nd. All in favor. Pat ran the elections. Lanny Mack- At large, Dave Hessel- At large, Chris Carbone, Class A and Pat Johnson Class D. Lanny stated that since there were no other candidates running against any of these positions the election can take place with a voice vote. All members present were in favor to elect the slate of board members. No opposition.

Web site- David Kliewer gave an overview of the existing WCPVA web site. He helps to update material on the web site, including minutes, newsletters and ECC improvements. All the minutes of board meetings for the past 12 months are on the site. There's a link for Steamboat Lake Water & San, as well as other sites of interest.

Open Forum- Comment from a member regarding status of noxious weeds and fuels reduction info. Dave Moss said fire district has info on these items for anyone who wants it. Roy Powell thanked the board for all of their hard work and asked if another board member would continue to help with snowmobile committee. He would be serving on this too. There are ongoing issues for snowmobilers and the subdivision, and he asked about getting association to provide liability insurance for trails outside the subdivision. Lanny explained that the Associations authority is strictly limited to the area of filings 1-4. It would not be possible to use funds for trails, access, insurance, or other items outside this boundary.

Dave Hessel asked for speed limit signs. Lanny has contacted Routt County and it is a slow process to go through. He asked Dave to pursue, now that he is on the board.

Steve King thanked the Board and snowmobile committee for remedying the problem last winter, but now they have a dirt bike problem. He would like the board to address this issue. He would like to see some sort of legal action taken. Steve is willing to serve on committee for this.

Qwest is running DSL into the subdivision, and should be available by September.

Vote-Sue H. stated that the two ballot issues voted on during the meeting passed by significant majority, 305 in favor to 10 against for ballot issue number one, and 295 in favor to 20 against for ballot issue number 2.

Lanny let owners know that the draft minutes of this meeting will be on the web site within 30-60 days.

Motion to adjourned at 12:45pm. Motion passes unanimously.

Respectfully submitted,

Sue Hochreiter
Business Mgr.