

River Meadows at Ski Tip
Annual Membership Meeting
December 28,2007
Meeting Minutes

- I. The annual membership meeting of the River Meadows at Ski Tip Owners Association was called to order at 10:00 AM at the Keystone center in Keystone, Colorado.

Those members present at the meeting were:

Mr Darren Walsh #7
Zdenek and Vladamira Kvasney #5

Those members represented by proxy were:

Roy Thygesen #6
Stephen and Nancy Szapor #3
William and Diane Ojile #13
Ronald and Elizabeth Gordon #4
Allen Tucker and Wayne Walker #8

Others present were:

Mike Magliocchetti, managing agent, Key To The Rockies
Jackie Gottschalk, Key To The Rockies
Ms. Holly Ridgway, Dundee Realty
Mr. Doyle Richmond, Listing Agent, Slifer Smith and Frampton

A quorum was achieved so the meeting continued as scheduled.

- II. Review and Approve Previous Annual Meeting Minutes

The Organizational Consent Minutes of River Meadows at Ski Tip Owners' Association in Lieu of First Meeting dated the 14th day of October 2005 were presented and reviewed. A motion was made by Mr. Walsh to approve the organizational minutes as presented, the motion was seconded and passed.

- III. Review 2006 Estimated Year End Financials

Mr. Magliocchetti presented the 2006 estimated year-end Statement of Operation for the project. The first year operating budget was based on total estimated dues of \$35,628. The actual amount collected as a result of unit sales throughout the year was \$20,243. Working capital was collected for each new sale. Management Fees showed a favorable variance to the budget since the

budget had anticipated that more units would have been sold and closed throughout the year. Management Fees are initially charged when the unit sale closes. Key To The Rockies was paid a total of \$5200 for 2006 and these fees are based on a per unit charge of \$50 per month. Office expenses were unfavorable to the budget by \$80 and this variance was due to changing the association accounts to Alpine Bank from Bank of the West and purchasing stamps, checks, etc. The Insurance account was also favorable to the budget as the actual premium for Liability insurance was lower than what was expected. The associations' master insurance program will be discussed in more detail later on in the meeting. Repairs and Maintenance had only once expense from that account for the purchase of light bulbs for \$89 for the exterior garage lamps. Common area Maintenance had a charge of \$1668 representing costs associated with snow shoveling of the walks, installation of driveway markers and minor irrigation work. An allowance Trash Removal was initially provided for in the budget, however no charges for trash are expected. This service is being provided by the Keystone Neighbourhood Company. The cost of Television Cable service through Comcast in 2006 was \$6129. This amount included the initial hook up cost which was not anticipated in the budget as well as the monthly service charges for each hookup. This allowance is expected to decrease for 2007 when the project will convert to a bulk account rate with Comcast. Snowplowing includes the cost to plow each individual driveway. The road into River Meadows however is being cleared by the Keystone Neighbourhood company. Electric charges are costs associated with lighting the monument sign and the street lamps.

Overall, the General Operating Fund for River Meadows showed a surplus of \$4286 for 2006. The new board of directors will decide at a later time whether to refund this surplus to the members, contribute it into the Reserve Fund or apply it to the 2007 operating fund.

IV. Review and Approve the Proposed 2007 Operating Budget

Mr. Magliocchetti presented the proposed Operating Budget for 2007. The total estimated cost to operate the property next year is expected to be \$56,842. The Reserve Fund portion of the budget represents \$21,000 and the remaining \$35,842 is allocated for the general operating expenses. This amount represents less than ½ of 1% increase over the 2006 budget. The Board will research the idea of providing full replacement cost coverage of the buildings into the associations Master Insurance Policy thereby eliminating the need for each owner to have to individually purchase that coverage. This change in coverage would significantly increase the associations' premium but represent a savings to the owners from having to carry that coverage on their individual unit owners' policy. After obtaining competitive quotes from various insurance carriers it was determined that a significant savings would be achieved by changing this policy. In order to accommodate this change however, the governing documents must first be modified to allow for this. For now, the

budget will only include that premium amount estimated to pay for liability coverage of the common areas and Directors and Officers Liability. Each owner must still carry full replacement cost coverage on their unit owners' policy in the event of a catastrophic loss until such changes are implemented at a later date.

The annual Capital Reserve Fund contribution will remain the same for 2007 at \$21,000. A formal Reserve Fund Budget will need to be prepared during the upcoming year to support future capital needs.

After some brief discussion on the various line item expenses, a motion was made by Mr. Walsh to accept the budget as presented. The motion was seconded and passed unanimously.

V. Old Business

A discussion continued on the associations' insurance program. Key To The Rockies obtained a quote from the Farmers Insurance group for a Master Insurance Policy on the entire project that includes full replacement cost coverage in the event of a catastrophic loss. The quote was based on a Broad Form All Risk policy with a deductible of \$5,000. The policy also included liability limits of \$2 million and a special endorsement for Directors and Officers liability coverage. The quote totaled \$8,800 per year.

By comparison, it was estimated that each unit owners' policy costs approximately \$1200 per year. Using this assumption, the total aggregate sum of the premiums of the 14 town homes would be \$16,800. Based on this information it appears that a significant savings would be achieved if the property casualty policy were written through the association instead of the individual owners.

In order to implement this change, the Declaration of the association would first have to be modified to provide for this type of coverage. The requirements to change the Declaration require a majority vote of the unit owners as well as obtaining authorization from all the first mortgages. A motion was made to bring this issue up for further discussion to the general membership at the next meeting. Ms. Ridgway indicated that she will research it further with her legal counsel to determine its feasibility.

VI. New Business

A question came up about bus passes. They are available through the Keystone Neighbourhood Company or can be obtained from Key To The Rockies. These keycards are also used to gain access to the pool facilities in River Run. Currently the bus stop is located out on Montezuma Road. Mike was asked to contact the Neighbourhood Company to see if they would be willing to run the

“Ease” bus door to door for River Meadows as the walk to the existing stop is a long distance particularly in ski boots.

VII. Election of Officers

The following individuals were elected to the board by acclamation.

Greg Finch will remain on the Board as President for one year.

Darren Walsh will join the Board and take office for a 3 year term.

Stephen Szapor will join the Board and take office for a 2 year term.

The newly elected Board of Directors will meet at a later time determine who will hold the various executive office positions.

There being no further official business to discuss, the meeting was adjourned at 11:50 AM

Respectfully Submitted,

Michael J. Magliocchetti
Key To The Rockies