

THE RIVERSIDE PLACE OWNERS' ASSOCIATION
ANNUAL MEETING MINUTES
AUGUST 5, 2006

The Annual Meeting of the Riverside Place Owners' Association was held on August 5, 2006, at the Frisco Recreation Center, 110 Third Street, Frisco, CO. Board President Jack Walker called the meeting to order at 4:12 p.m. Also present were Vice President Allan Schutt, Secretary-Treasurer Paula Boyd and Architectural Control Committee member Marcia Scutt.

President Jack Walker welcomed all those in attendance and introduced the current Board of Managers.

1. Roll Call and Certification of Proxies:

Jack requested Paula to proceed with Roll Call. Thirteen lot owners were present and six were represented by proxy, reflecting 86% of the common ownership interest. A quorum of 50% is required and was met for the purpose of this meeting.

2. Colorado Senate Bill 100

Jack reminded all homeowners that our Association is in full compliance with Colorado Senate Bill 100. Paula has all documents available for electronic transmission. If anyone has need for any documents, they should request directly from Paula.

3. Proof of Notice of Meeting:

Jack reported that all owners should have electronically received the official notice of the meeting date including the Agenda on June 28, 2006. The proposed Budget was not incorporated because of additional work by the Board of Managers.

4. Reading of Minutes of the 2005 Annual Meeting:

All owners had received copies of the 2005 Annual Meeting minutes, and Jack Walker mentioned that outstanding issues would be covered under Old Business. Jack pointed out the only important item was Colorado Senate Bill 100. It was moved and seconded that the reading of the 2005 Annual Meeting minutes be waived and that these minutes be approved as written. The motion carried unanimously. It was suggested and agreed that a copy of the prior years' Annual Meeting minutes be transmitted with the next year's notice of meeting.

5. Reports of Officers:

President Jack Walker indicated that 2006's activities would be covered under New Business or Old Business. Vice President Allan Scutt had nothing to report. Secretary-Treasurer Paula Boyd will present report on investments and proposed budget under scheduled agenda.

6. Election of Officers.

Jack announced that he has one year remaining as President. Since he has served as President for two terms, he will not seek re-election when his term expires October 2007.

Allan Schutt has one year remaining as Vice President, and would consider serving another term as Vice President beginning November 2007. Paula Boyd has two years remaining as Secretary-Treasurer. Jack requested that everyone begin thinking about the election of a President and Vice President at the next Annual Meeting.

7. Old Business:

a. Cabin Creek

Jack reported that he had met with the new President of Cabin Creek Ed Carter. In a short time, they came to a mutually satisfactory agreement, without legal counsel involvement, whereby Cabin Creek will participate with the Riverside Place Owners Association for snow removal and road maintenance. Cabin Creek will pay 20 percent of all snow removal and road maintenance costs. Cabin Creek will be advised of any change in snow removal contractor and of major road maintenance anticipated. The Agreement between the two Associations is in writing.

b. Status of Road Resealing 2005

Allan contacted A-Peak Asphalt, a local contractor, who came and studied the street condition and discussed with Allan. A-Peak provided a ball-park estimate of \$28,000 to complete a repaving of Riverside Place and Sunset Drive. This is the type work just completed by the town on Madison, and far more extensive than the sealing we have done every 2 years. Allan and Jack performed a walk-around of the two streets, and found only one new, significant partial crack. The frequency of resealing was questioned, and Allan has been told every two years is adequate. It was suggested that the resealing be accomplished earlier next year. The past resealing was delayed due to anticipated construction in the area. Cabin Creek is prepared to participate in resealing every two years. The drop-off at our North entrance was discussed. The Managers will look at the situation and determine if any remedy is feasible.

8. New Business

a. Change of investment for escrow account

Paula discussed recent changes involving the closeout of the GM Demand Notes. The Managers were concerned with the stability of the GM Demand Notes in light of the financial problems of General Motors. They decided funds should be deposited with a more secure financial institution. With the guidance of Lara, Shull & May, Ltd., a local financial advisor, we have secured a \$10,000 12-month Certificates of Deposit yielding 5.4% through Community Capital Bank, Jonesboro, GA and a \$10,000 6-month Certificate of Deposit yielding 5.2% through First Federal Bank of California, Santa Monica, CA. We have an

additional Money Market Account of \$5,000 through Lara Shull & May, Ltd. currently yielding 4.49%. All three deposits are fully insured in keeping with our fiduciary duty to protect assets.

b. Pine Beetle Spraying

Only Jack Walker and Carolyn Kettering received notices from the town that they had beetle-infested trees which had to be removed. A notice was sent to all owners that the Association would arrange for and fund spraying of trees subject to pine beetle infestation. Three bids were secured from local contractors. Preventive Tree Spraying was selected, after checking references including the forest service for whom they do work. Jack Walker and Tom Estes from Preventive Tree did a walk-around and identified 132 trees that required spraying. Beers also advised that Muellner, Dippel, McCrery, Stoller and Beers had paid to spray additional trees across the creek on Post Office property for preservation, since it appeared the Post Office was not taking action. Based upon the recommendation of Preventive Tree, the association will fund spraying of the trees again in 2007. Jack has a map identifying those trees that were sprayed.

c. Report of Architectural Control and Review Committee

Marcia has not received any special requests this year. The Covenants restrict satellite dishes, however, small dishes, obscurely placed, will be reviewed by the Architectural Committee. The weeds have been pretty much under control, with a few exceptions that Marcia pointed out. The Riverside Place sign will be placed on Sunset Drive on the berm in Carolyn Kettering's front yard.

d. Snowplowing Update

Allan discussed the heavy snowfall and the job done by the contractor Premier. Some landscape damages were caused by the snowplow, which Premier did not repair. Allan and Marcia worked on the Riverside Place entry, replanted shrubs, and moved rock to restore that area. Allan is familiar with another contractor in Silverthorne who is bidding on the Summit Medical Center. If this contractor is successful, he would probably bid on our neighborhood. Allan will attempt to obtain multiple bids before awarding a contract.

d. Maintenance of Sewer and Water Lines (not on agenda)

Paula mentioned that we might incur costs for repair of main sewer and water lines, unless there was an agreement from the Town of Frisco to accept ownership and maintenance of these lines. Jack indicated the responsibility of the Water lines had been accepted by the Town. In fact the Sewer lines have been accepted. Jack will contact the Town to see what is to be done to have the responsibility of the Water lines accepted by the Town. The water lines are too close to the Rothberg's home for the Town to take over. Jack indicated the cost to move the lines is approximately the same as a one-time repair. A motion was made that the Managers should obtain bids and consider movement of the lines given that scenario to allow the Town to assume ownership. The motion was seconded and passed unanimously.

9. Review of Proposed Budget for FY 2007 (11/01/2006 to 10/31/2007)

a. Proposed Increase of Dues Effective 11/01/2006

Paula distributed copies of the Preliminary Operating Report containing financials for FY 2006 as well as the proposed budget for FY 2007, a copy of which is incorporated at the end of these minutes. Jack led a discussion regarding our increasing costs, primarily as a result of snow removal and beetle spraying, and the decline in the escrow account. A committee was suggested to develop a reasonable reserve prior to developing the budget for FY 2008. The committee will be chaired by Bob Beers, with members Mike Rothberg, Randy Glover and Dennis LaCerte. A motion was made to approve the Budget and the \$400 annual association dues for 2007. The motion was seconded and passed unanimously.

10. Other

Jack questioned whether the Meeting Date continued to be satisfactory, or should be changed. The consensus was that the Meeting Date should remain the same; therefore, the next Annual Meeting will be Saturday, August 4, 2007.

11. Adjournment

There being no further business, it was moved and seconded that the meeting be adjourned. Motion carried. The meeting was adjourned at 5:10 p.m. to be following by the fourth annual RPOA progressive dinner.

Respectfully submitted,

Paula Boyd, Secretary-Treasurer
The Riverside Place Owners' Association

**RIVERSIDE PLACE OWNERS' ASSOCIATION
PRELIMINARY OPERATING REPORT
11-01-05 TO 10-31-06
Report as of 08/01/2006**

| | FY 2006 11/05-10/06 Budget | FY 2006 Actual To Date | FY 2006 Estimated Actual | Difference (Est. Actual -Budget) | FY 2007 11/06-10/07 Budget |
|-----------------------|----------------------------------|------------------------------|--------------------------------|--|----------------------------------|
| RECEIPTS | | | | | |
| 1 Association Dues | 5,500.00 | 5,500.00 | 5,500.00 | 0.00 | 8,800.00 |
| 2 Interest Income | 1,200.00 | 1,005.28 | 1,344.52 | 144.52 | 1,200.00 |
| Total Revenue | \$6,700.00 | \$6,505.28 | \$6,844.52 | \$144.52 | \$10,000.00 |
| EXPENSES | | | | | |
| 3 Snowplowing | 2,000.00 | 5,896.00 | 5,896.00 | 3,896.00 | 4,500.00 |
| 4 Insurance-D&O | 945.00 | 900.00 | 900.00 | - 45.00 | 950.00 |
| 5 Insurance-Liability | 1,157.00 | 0.00 | 1,157.00 | 0.00 | 1,212.00 |
| 6 Legal | 2,000.00 | 38.50 | 38.50 | -1,961.50 | 1,000.00 |
| 7 Road Maintenance | 400.00 | 0.00 | 0.00 | -400.00 | 1,150.00 |
| 8 Annual Meeting | 20.00 | 0.00 | 20.00 | 0.00 | 20.00 |
| 9 Federal/State Taxes | 107.00 | 349.00 | 349.00 | 242.00 | 368.00 |
| 10 Beetle Spraying | 0.00 | 1,320.00 | 1,320.00 | 1,320.00 | 450.00 |
| 11 Other | 10.00 | 0.00 | 10.00 | 0.00 | 350.00 |
| Total Expenses | \$6,639.00 | \$8,530.35 | \$9,690.50 | \$3,051.50 | \$10,000.00 |
| Net | \$61.00 | -\$1,993.22 | -\$2,845.98 | -\$2,906.98 | |

NOTES:

Line 1 - Association Dues for 2007 are calculated at \$400 annually for each owner.

Line 3 - Winter of 2005-2006 represented exceptional snowfall. The amount paid by RPOA is 80% of the cost for Riverside Place and Sunset Drive. Cabin Creek paid 20% of all snow removal charges.

Lines 4&5 -No claims have been presented under wither D&O or Liability Insurance policies, but it is probable that a carrier's overall experience could result in a rate increase.

Line 6 - Our attorney charged a rate of \$225 per hour in 2006.

Line 7 - Sealing was completed in the fall of 2005. Major Road Maintenance should not be required this fiscal year, however, we must escrow for maintenance work to be done in the fall of 2007.

Line 9 - Taxes were underestimated for FY 2006. Taxes paid in 2005 were \$214.00.

Line 10 - RPOA paid for spraying neighborhood trees to deter the spread of the pine beetle. We must escrow now for spraying that will need to be repeated in three years.

Line 11 - Other category includes the State of Colorado Annual Report filing fee of \$10.00, as well as miscellaneous office expenses. Additional funds from the "other " category, as well as any budget overages from other areas are intended to rebuild the Reserve Fund to the previous \$30,000 level (escrow for major road repair).

Current Cash Balance: Checking \$2,693.52, Savings \$25,000.00