

SODA SPRINGS RANCH - FILING II
Homeowners' Association
MINUTES OF ANNUAL HOMEOWNERS' MEETING
Soda Springs Ranch Restaurant Building
September 20, 2008

Board Members Present: Mark Baxley, Gene Peteranetz, Bob Costello, Mark Lewis, Rich Olivo, Jim Blakely, Gary Windsor, Gary Trujillo, Bob Lang

Also Attending: J. C. Cavalera, Manager; Regina Fowler, Management Office, and Tim Day, Day & Associates

Board Members Absent: Tom Evon

Call to Order and Proof of Meeting: Mark Baxley declared that a quorum of owners was present, and called the meeting to order at 9:05 AM. Mark announced that 80 of 120 units were represented by owners in attendance or by proxy. Packets of financial statements and informational reports were mailed to each owner well in advance of the meeting, and the meeting date had been announced in our "Rancher" newsletter.

Approval of Minutes: Minutes of Annual Homeowners' Meeting, from last year's Annual Homeowners' Meeting, held on September 22, 2007, were presented for approval.

A motion was made and seconded from the floor that the minutes be approved as amended. Motion passed.

Financial Report: Mark Baxley introduced Tim Day of Day & Associates, to review the report of audited financial statements for the fiscal year ended June 30, 2008. Tim noted that Bob Costello spends a lot of time on behalf of the HOA. It is very important that our financial records are accurate and Bob does a great job in this regard. Tim stated that our fiscal year ending financial statements were prepared by Bob Costello and Mark Krieg, with Daly and Associates performing a review and providing an opinion on the financial statements. Daly and Associates feels that the statements are accurate and that Daly and Associates are issuing a clean opinion on the financial statements.

Tim then commenced to discuss the audited financial statements with the HOA members in attendance. Tim noted that there are nine tracts of condominium units, plus the SSR garages and the Athletic Club. Each tract has its own accounting reflected in the financial statements. Dues for each tract are based upon the expenses of that tract. Tim noted that all tracts are solvent.

The Replacement Reserve (R&R) Fund addresses expenses for items you know will wear out. Page 15 of the financial statements is a summary of assets held by the HOA. Tim notes that in the event the R&R Fund were to fall short of being able to meet obligations, the result would be a special assessment to the owners.

On Page 2 of the financial statements, Tim noted that the Operating Fund has a cash balance of \$86,042. The ending R&R Fund balance is \$123,701. The Operating Fund pays for day-to-day operating expenses. Tim said the Operating Fund appears to be doing what it is intended to do.

Page 3 of the financial statements show Revenue and Expenses by tract. Revenues totaled \$460,254. Expenses totaled \$347,352. Revenues in excess of expenses totaled \$112,902. Of the \$112,902 surplus, \$105,000 was attributable to Special Assessment funds collected from owners for Amenities Improvement project.

The R&R Fund had income of \$100,184, expenses of \$80,932, for an excess of \$19,252.

An owner, Kurt Ostrow, asked whether page 10 of the financial statements (listing of asset costs) is accurate in reflecting true replacement costs. Should we have an inflation adjustment for these values? Mark Lewis noted that we (the Board) are doing an analysis of large items to assess replacement costs. Mark Baxley noted that we are doing on-going repairs each year that are a part of addressing these replacement costs.

A question was raised from the floor regarding the policy for deck replacement. Gary Windsor responded that the tract representative will decide whether labor or materials (the lesser of the two) will be paid for by the HOA. Gary also noted that we are standardized on TREX deck materials versus other similar materials.

Review of Master Policy Insurance Coverage: Bob Costello noted that we changed our policy provider a year ago. The HOA policy covers the property "from the paint out." Bob then introduced Gary Granzke, a representative of our insurance provider. Gary noted that HOA by-laws override the insurance policy as to what is covered. Gary noted that we have three policies:

1. Property
2. Liability
3. Umbrella (\$25M which protects the HOA and the Board)

Gary noted that each owner should have their own personal property insurance to cover anything that occurs within the unit. He also recommends that the owner carry liability insurance.

Kurt Ostrow asked what happens if the unit burns to the ground. Specifically, who replaces interior structural items such as stairs? Kurt asked that this be clarified for the homeowners, in writing. Mark Baxley responded that supplementary insurance is crucial to have. Mark suggested having your insurance agent work with Bob Costello to be sure that you are properly insured. Supplementary insurance should cover everything not covered according to the by-laws. You should have insurance up to the value of your unit.

Motions made by Art Butterfield, seconded by the floor, that the Board of Directors review the by-laws and clarify exactly what is covered by the HOA insurance. This should include a definition of what "from inside the paint" means. This part of the by-laws should be reviewed by our attorneys. We should then make such changes to the by-laws to clarify this matter. This will allow 1) the HOA insurance to know exactly what they are insuring and 2) allow the individual owner to know what their personal insurance obligation should cover. Motion passed.

Association Manager's Report: J.C. Cavalera reminded the owners of the lunch being served after the meeting. J.C. noted that Barb, Regina, and himself manage the property. J.C. reminded owners to be sure to set their thermostats no lower than 55°F. J.C. asked that owners not leave personal property (patio furniture, BBQ's) under the roof line, as snow falling from off the roof can damage such items.

Mark Baxley note the unique relationship that the HOA has with J.C. in regards to his presence running a real estate office, the restaurant, and providing on-site property management.

A comment came from the floor that Gary Windsor adds a lot to our community with the service he provides.

Removal of snow from roofs is a challenge for us. It has been difficult to find a contractor to perform the snow removal properly without damage to roofs. Mark Baxley noted that snow removal costs were up significantly from last year due to 1) increased snow-fall and 2) increased snow removal rates.

An owner noted that when she purchased her unit, the inspector told her that the snow fences were inadequate in the Soda Creek tract.

Board Committee Reports:

Executive Committee. Mark Baxley noted his gratitude for the Board of Directors and the HOA community. The Board works very effectively together. Mark noted that the Executive Committee (himself as President, Gene Peteranetz, Vice-president, Bob Costello, Treasurer, and Mark Lewis, Secretary) handle matters that don't require the full Board's attention.

Financial Report. Bob Costello noted that the R&R portion of dues should be increased for six of nine tracts next year. These are tracts where the tract R&R Fund balance is considered low.

Amenities Project. Mark Baxley reviewed with the owners the status of the amenity improvements which were approved at the last Annual HOA meeting. A budget of \$105,000 was approved by the HOA. Owners were asked to inspect the property to see what has been done in the last year. The Board hopes that the owners will feel that what they see meets their expectations. We are looking to performing improvements to

the landscaping surrounding the pavilion over time. In the future, we would like to create a floor above the exercise facility.

The sports court is getting a lot of positive feedback and use. It looks great! We are not set up well to manage the use of the sports court. We, as owners, have an obligation to leave the sports court in the condition we found it...or better.

Gary Windsor and Rich Olivo were instrumental in the completion of the picnic pavilion. We had an excellent contractor come in to assist with the construction of the pavilion. The pavilion can be used for family events without charge. The restaurant will use the pavilion for major functions. Also, community events will be hosted in the pavilion.

Mark Lewis oversaw the efforts with the playground equipment and area. The Board discussed various locations for the playground system. We even moved the unit once it was delivered and installed, as the Board wanted to provide a larger area for children to play in, which also allowed us to cover more of the old tennis surface. We negotiated a great deal to have pea gravel delivered from Denver as a significant cost savings.

The Athletic Club improvements are under way. Electrical work cost a little more than expected, but that is being covered by Athletic Club fees.

J.C. is considering an open house for area realtors to show off our improvements. Kurt Ostrow suggested a free dinner for the realtors. Judy noted that realtors have commented to her that Filing 1 holds down the property values of Filing 2.

We have procured a programmable security locking system. We are in the process of installing the locks.

Lighting for the pool area was donated by Jim Blakely. It matches well with the existing lights and looks great!

Bob Costello managed the procurement of the new pool liner. This keeps the pool clean and, when closed, provides safety for children.

Alex Valentine asked for a moment to re-visit a discussion from last year's Annual HOA meeting regarding wireless internet access. Alex noted that he felt that there was significant interest expressed in this topic at the last meeting and thought that there ought to be a committee to look into costs and options for providing wireless internet access for our HOA owners.

Motion made by Alex Valentine, seconded by the floor, that a task force be created to look into community wireless internet access for Filing 2. Motion passed.

Comment was made from the floor that this should not be required to be paid for by owners that are not interested in internet access.

Motion made by the floor and seconded by the floor, that if wireless internet access is proposed for Filing 2, that a vote be required by the entire HOA membership to move forward with such a project and that the decision to approve such a project not be left to the Board. Motion defeated.

Rules and Regulations: Rich Olivo noted that the focus of the committee is with the enforcement of existing rules that are on the books. However, enforcement is an issue with only a few Board members living full-time in SSR. Rich discussed dogs (keep them on a leash). Elk are starting to come around. It is a federal offense for a dog to chase an elk.

Rich discussed that the new key lock on the trash compactor has had a positive impact on the volume of trash.

In regard to parking, please inform the Property Management Office if you have guests at your unit. Vehicles that block a fire lane should be reported to the Property Management Office. If that does not resolve the issue, please call the police.

Question was raised from the floor asking how owners are to report rules violations. Instruction was to go to the Property Management Office. J.C.'s team will involve the tract rep and/or police as appropriate.

Rich noted that police will not get involved in matters where a law is not broken.

Maintenance and Architectural Control: If you want repairs done to your unit, you must come to the Property Management Office and they will file a work order. If no action is taken on completing the repair, please contact your tract rep.

Gary Windsor noted that any exterior changes to a unit must go through the Architectural Committee.

Master Water Association: Gary Windsor noted that water rights were sold to the Master Water Association. The MWA has avoided becoming a special water district. Water quality is well within standards. We originally had one well for all of the filings. We now have two wells with extra pressure pumps. The MWA has sold a couple of water taps in Filing 3.

Filing 3 owners are no longer voting members of the MWA, rather are Type B members. The MWA has one paid employee, Rich Olivo.

We are now ISO 4 versus ISO 9, which keeps our insurance rates low.

The MWA purchased 5000 feet of fire hose for the fire department.

New gas generators installed this year to supply electricity to water pumps in the case of a power failure.

Election of Board Members:

Motion made that Mark Lewis, Gary Windsor, and Bob Costello serve an additional three year term on the HOA Board. Motion passed.

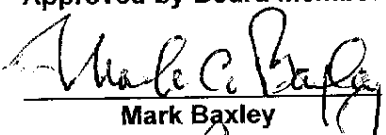
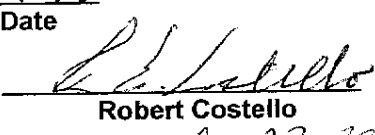
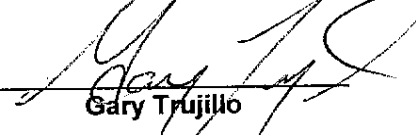
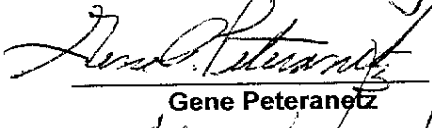
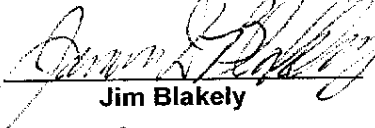


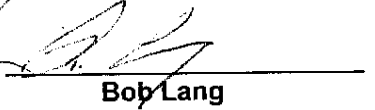

Adjournment: Motion was made from the floor and seconded by the floor that the meeting be adjourned. Motion passed unanimously. Mark Baxley adjourned the meeting at 11:58 AM.

Respectfully submitted,



Mark A. Lewis, Board Secretary

Approved by Board Members ^{11/15/08} ~~11/23/08~~:
Date

 _____ Mark Baxley	 _____ Robert Costello	 _____ Gary Trujillo
 _____ Gene Peteranetz	 _____ Jim Blakely	 _____ Rich Olivo
 _____ Gary Windsor	 _____ Bob Lang	 _____ Tom Evon