

**GORE TRAIL AT WILDERNEST  
BOARD OF DIRECTORS MEETING  
July 17, 2004**

On Saturday, July 17, 2004, the Gore Trail at Wilderndest Homeowners Association (HOA) Board of Directors met on site at the clubhouse. Directors Tom Sarafin, Rob Kilgore, Howard Gueck, Craig Schaeffer and Pat Defazio attended and Larry Strattan joined the meeting in progress. Director Jim Fuller was absent and excused, and Mr. Sarafin held his proxy for the meeting. Owner Fred Pillet and Ed Storako of Excellent Construction also attended, and Laura Snow, Controller, and Pat Rice, HOA Liaison, represented Wilderndest Property Management (WPM). The meeting convened at 8:45 a.m.

**APPROVAL OF MINUTES**

**RESOLUTION:** Upon motion made by Mr. Gueck, seconded by Mr. Kilgore, and unanimously carried, the minutes of the June 5, 2004 Board meeting were approved as prepared.

**FINANCIAL MATTERS**

Ms. Snow stated that she believed she had a better understanding of the Board's needs in the financial reports after working with Mr. Gueck, and she understood the importance of addressing errors in the reporting procedure. She requested that meetings be scheduled around the middle of the month to allow more time for generation of the additional manually produced reports and adequate review prior to meetings.

**Balance Sheet** – As of June 30, 2004, assets in the Operating, Reserves, and Special Reserves totaled \$41,903.97, \$18,947.27, and \$122,276.95 respectively. Liabilities of \$22,187.34 in Operating and \$598,550.60 in Special Reserves (including the \$500,000.00 for the loan) created a net equity for each account of \$46,229.60 in Operating, \$18,947.27 in Reserves, and a loss of \$480,599.28 in Special Reserves. Monies are currently being transferred from Alpine Bank to West Star due to a better yield on accounts negotiated by WPM's General Manager, Tony Snyder.

**Income Statements** – Expenses for the Operating Account for the month of June totaled \$15,871.12, or \$2125.43 less than budget, and the net profit for the month was \$4892.73. Year-to-date, the Operating account was showing a profit of \$6439.55. There were no expenses from Reserves during June. Special Reserves expenditures for June totaled \$32,220.70, including \$13,817.28 for engineering and \$16,217.00 for consulting. Ms. Snow requested written documentation of any agreements with experts regarding payments.

**Delinquency Report** – As of July 16, 2004, outstanding special assessment payments totaled \$50,921.63 with \$5,182.63 past due thirty days and only \$868.00 past due over thirty days. The Board made special note that this was an excellent report, considering the burden of special assessments currently being borne by homeowners. The Board asked Ms. Snow to clarify the confusing terminology on the assessment invoices.

**Department 3** – Invoices from the legal firm of McElroy, Deutsch, Mulvaney, & Carpenter, LLP have been delayed due to a merger with another firm. Mr. Gueck's current cash flow sheet for Department 3 includes allocations for these billings. Two checks from settlement with the Developer totaling \$82,750.00 have just been received and are not reflected in the June 30<sup>th</sup> statements.

The Board discussed the projections of expenses and scheduled payments and receivables on the cash flow sheet prepared by Mr. Gueck. There is no agreement in place for the suggested payment schedule to McElroy, Deutsch, Mulvaney & Carpenter, LLP of half of settlement monies

and \$30,000/month. Conservative estimates indicated that litigation costs vs. income from assessments and projected settlement monies to date would run a deficit of approximately \$20,000. There was concurrence the special assessments currently being collected could not be modified until more monies were received through future settlement(s).

### **Working Capital Contribution**

**Resolution: Upon motion made by Mr. Gueck, seconded by Mr. Kilgore, and unanimously carried, the Board approved moving the year-end profit of \$432.93 as of March 2004 to the Contributed Working Capital Account as per the June 1, 2002 Contributed Working Capital Policy.**

**MANAGEMENT REPORT** – Ms. Rice will submit the management report to the Board via email.

### **OTHER BUSINESS**

**Owner Communications** – Some owners have expressed great frustration that they have not received a summary from the Board on litigation updates in several months. It was suggested that regular monthly communications would be better than a copious memorandum less frequently. Mr. Kilgore will draft a summary regarding settlements immediately following the meeting and circulate it to the Board for approval.

**Next Meeting** – Ms. Rice will circulate an email to confirm either August 14<sup>th</sup> or August 28<sup>th</sup> for the next Board meeting, which will be held at 8:30 a.m. at the clubhouse. Executive sessions may be held in Denver in the interim. Mr. Gueck is not available on the 14<sup>th</sup> and neither Mr. Kilgore nor Mr. Schaefer will be available for an evening meeting in Denver after the 16<sup>th</sup> during the following week.

**Rules & Regulations Amendment Proposal** – Mr. Fuller's proposal to amend the Rules and Regulations was tabled until the next meeting.

**Structural Fix at Clubhouse** – The County must be contacted to resolve the issues regarding a permit for this work, and Ms. Rodgers will notify the Board when this information is ascertained.

**Owners' Closets and Access** – Most owners have provided access for the re-inspection of the owners' closets and Ms. Rice will complete this check as soon as possible. Excellent Construction's work on the screens should be coordinated with Mid-County's repair of the dryer vent terminations.

**Asphalt at Building 4** – Two locations where holes have developed along the crack in the asphalt parallel to Building 4 were opened for investigation as per the Board's directive and Mr. Storako will have the holes patched. He had conferred with a representative from another asphalt company; in his opinion, the holes could have been impacted by shrinkage in the first lift of asphalt. Additionally, the base material contained a lot of clay that could contribute to the problem. The crack did not extend into the substrata in these locations.

**Fire Sprinkler Inspections** – WPM had just received some clarification from a telephone conversation with Steve Skulski of the Lake Dillon Fire District regarding repairs need subsequent to the annual inspection by Western States.

**Resolution: Upon motion made by Mr. Strattan, seconded by Mr. Gueck, and unanimously carried, the Board approved having all required repairs made to the fire sprinkler system as itemized in the annual inspection report up to \$5000 without further consultation with the Board.**

**Bids** – WPM should solicit bids for the following listed projects, and the Board approved having Mr. Storako assist in drafting the required scope of work for each:

1. Soffit ventilation repairs at the north shed roofs.
2. Addition of upper ventilation for north shed roofs.
3. Shimming of cantilevered joists: south side “A” units
4. Insulation of dining room soffits (to be included in scope of work with item #3).
5. Painting of exposed fire sprinkler heads on decks and in owners’ closets
6. Proper installation of GFI outlets on decks of buildings 1 & 2.
7. Flashing on south side at doors and decks (water penetration points).

**Recalled Attic Sprinkler Heads** – Central needs to be contacted to determine the status of the recall of the sprinkler heads.

**Owner’s Questions** – Regarding mold remediation and loss of use, it was clarified that any required mold remediation would be scheduled during the summer months, not the winter ski season, and that owners will receive advance notice of such work.

**ADJOURNMENT**

**RESOLUTION:** Upon motion made, duly seconded, and unanimously carried, the meeting adjourned at 10:13 a.m.

**EXECUTIVE SESSION**

The Board entered executive session to discuss litigation and settlement issues with Attorney Carrie Rodgers. This discussion continued for approximately six hours.