

Twin Rivers Owners Association Annual Meeting Notes – 8 August 2009

The Twin Rivers Owners Association met for its 2009 Annual Meeting on Saturday, 8 August 2009 in Fraser, Colorado, at the Fraser Valley Library.

Those in attendance were:

Board Members: Clare Cavanaugh (CO6), Sue Poet (BA8), Bob Chipman (Interval), and Kitty Miller (PE6).

Other full owners: Ken and Marisa Connors (BA5), Randy Poet (BA8), Dottie Deickman and guest (CO1), Tom Cavanaugh (CO6), Phyllis Sjogren (JA2), Rich Vandekoppel (JA3), Chris and Pauline Johnson (NY1), Mike Abell (NY4), and Maria Aragona (VA2).

Other interval owners: Philip Abdouch, Steve McIntosh, and Cindy Montrose.

Representing Allegiant (managing agent for Owners Association): Robin Wirsing and Jon deVos.

Representing Alderwood (managing agent for Interval Owners Association): Cheryl Shipe, Debbie Briggs, and Sarah Poeppel.

Other full owners via proxy: Phyllis Dowell (CO3 & PE3) and Jan Fraser (PE8).

A total of 13 fully owned units and 26 interval owned units were represented either in person or via proxy. A quorum requires 1/3 of the 60 units, so 20 units; this meeting had a quorum with 39 units represented either in person or via proxy.

NOTES

The meeting was called to order at approximately 10:00 am.

Welcome and Board Summary – Kitty Miller welcomed all the owners to the annual meeting. She reviewed the Board activities since the 9 August 2008 annual meeting: analysis and refinement of the Association finances and resulting financial spreadsheet; re-roofing of the rear of Bancroft and repairs on several roofs, current management agent contract to expire soon so Board put together a Request for Proposal for the Association management agent contract, and dues increase (to build reserve for special projects) and special assessment (to accelerate payoff of the existing loan).

Approval of 2008 Annual Meeting Notes – Prior to approval of the notes from the 2008 Annual Meeting, Philip Abdouch brought up his unhappiness about the Board not pursuing flood insurance and this leaving the Association at risk of major expenses of potentially replacing buildings if or when there is a significant flood. Phyllis Sjogren also expressed her concern that the coverage individuals can get only covers their losses for the specific building their unit is in and not for the obligation an owner might have if a building other than the one their unit is in is flooded. She added that the cost per owner if the Association procured flood insurance would be less than the cost per owner when an individual owner procures flood insurance. Several Board members and owners added that when the Board investigated in April 2008, the Association was given an estimate of ~\$36,000 for insurance for the 7 buildings that are shown in the current FEMA flood plain, which translates to ~\$600 per unit, paid in advance. At the time the Board felt flood insurance was not the best use of funds and the risk did not outweigh

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the cost. A number of owners had previously expressed and expressed in this meeting that they would not support getting flood insurance because either they are not required (because they do not have a mortgage) or they do not feel the risk of having a flood which damages a building has changed with the FEMA flood plain map being updated. The Board did agree to seek a new cost estimate and consider an increased deductible and then solicit owner feedback on willingness to support. The Board agreed to do this by the end of the year, 2009.

Phyllis Sjogren brought up her concern that owners with gas fireplace inserts prior to the chimney replacements in 2006, ended up paying a portion of their 2006 special assessment towards the gas fireplace inserts for owners who got new ones. The Board decided in 2006 to spend a portion of the 2006 special assessment to install gas inserts in any unit which didn't already have one as part of the overall chimney removal project. The Board reexamined the decision of the 2005/06 Board in 2007/08 and again in 2008/09 and continues to support the decision of the 2005/06 Board. The complete removal of wood burning fireplaces in 2006 was an integral part of the chimney removal project; open wood burning fireplaces could not be left, safely, without putting in the gas inserts; and a number of owners who got the new gas inserts did not want them or the ongoing gas utility bills. Rich VandeKoppel added that the 2006 Construction Committee's cost estimates for replacing the existing chimney structure was more than to remove the chimneys and install gas inserts in the units that did not already have them.

An owner asked if the owner's questionnaire planned after the 2008 Annual Meeting included the interval owners and the Board explained that there was no owner's questionnaire done since the last Annual Meeting. Cindy Montrose asked that if there is an owner's questionnaire, that the interval owners be included. The Board agreed that all communication to owners such as a questionnaire or letters would be sent to the Interval Owners Association managing agent coincident with the sending of communication to the full owners.

It was moved by Philip Abdouch and seconded by Mike Abell to approve the 9 August 2008 Annual Meeting notes. It was approved by the owners, with no dissenting votes.

Association Finances – Clare Cavanaugh reviewed the work that has taken place in the last 15 months to better capture the revenue and expenses of the Association. An audit was done on the 2008-2009 finances. Payments against the 2006 Special Assessment were incorporated into the Association financial spreadsheet as were the payments against the existing loan, future loan payments and income from the 2006 Special assessment, and future expenses for capital-expense type projects.

Clare explained the reasons behind the dues increase (primarily to start building a reserve for future capital-expense type projects) and the 2009 special assessment (SA) (exclusively to pay down the existing loan). She also gave a summary of the expense reductions which the Board has pursued (i.e. raising the insurance deductible, changing trash collection schedule) and explained some of the negotiations taking place with the bank regarding capping the loan and re-negotiating the loan payments. The 2009-2010 budget does not take into account the pay-down of the loan which the Board plans to make from the 2009 SA collected as of August 2009 and January 2010 and does not take into account anticipated interest expenses being negotiated.

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Copies of the predicted capital expenses were provided to all attendees. The 2009-2010 budget was distributed as part of the meeting announcement to the full owners and the Interval Owners Association managing agent.

Several full and interval owners expressed concern over not having a healthy reserve fund in the past and expressed support for building a realistic reserve fund in the future, which is what the Association Board is now pursuing. Some owners suggested having a special bank account for each project planned for future capital expense projects and the Board will take it under advisement. Not all owners were happy with the dues increase or the special assessment.

Interval Owners Association – Bob Chipman provided a summary of the Interval Owners Association business. The Interval Owners Association has completed an audit of their books and selected a new managing agent, Alderwood. Bob also explained that one of the most significant issues the Interval Association is facing is the Association-owned weeks; about 200 of the 1300 interval weeks are Association owned and there is no dues income from those weeks. The Interval Owners Association is pursuing methods to generate revenue from them.

Election of Board Position – After a lengthy discussion, the Annual meeting was suspended and no election was held so that the Board can address an issue brought up about the Association declarations, by-laws and Board membership.

Local Update – No local Fraser Valley update was provided as the meeting was suspended before this topic was addressed.

The date for the continuation of this meeting has not been set.

NEW ACTION ITEMS

- 1) Re-evaluate cost and owner supportability for flood insurance by end of 2009.
- 2) Address the Association declarations, by-laws and Board membership issue.