

**THE RESERVE AT FRISCO ASSOCIATION  
ANNUAL HOMEOWNER MEETING  
July 16, 2011  
Frisco, Colorado**

**I. CALL MEETING TO ORDER**

The Reserve at Frisco Association Annual Homeowner Meeting was called to order by Jim Fuxa at 9:06 a.m. on Saturday, July 16, 2011 at the Community Center in Frisco.

Board Members Present Were:

Jim Fuxa, President, B3/L8	George Yantz, Vice President, B5/L8
Jim Melhouse, Secretary, B1/L14	Kevin Allen, Member, B8/L5

Homeowners Present Were:

Phil & Leslie Aaholm, B1/L15	Judith & David April, B6/112
Lore Botsford, B2/L2	Tom Charles, <b>no unit listed</b>
Les & Carol Clarke, B7/L2	Steven Coburn, B10/L10
Bob & Pat Feuerriegel, B6/L3	Fleener Trust, B1/L4
Roxanne Fuxa, B3/L8	Sam Holman, B9/L4
Tim & Jeanne Jenkins, B1/L12	Stephanie Kato, B11/L5
Elinor Katz, B2/L11	Glen & Georgia Kraatz, B9/L1
Paul Krusa, B10/L1	Hans Kuschnerus, B5/L7
Joe & K.. Lamb, B8/L2	David Lennon, B4/L2
Peggy Melhouse, B1/L14	Gene & Sally Miller, B2/L9
Rozwadowski Rev. Trust, B10/L7	Larry & Sharon Siler, B6/L5
Richard Simmons, B3/L5	Michel Stefanacci; B7/L5
Robert & Susan Turner, B8/L8	Rita Urbanek, B5, L4
Joanne Yantz, B5/L8	Tommy Wynant, B1/L10

Representing Basic Property Management were Gary Nicholds and Candy Ramage. Margot Mayer of Summit Management Resources was recording secretary. Dan Wolf, the Association's attorney, was a guest at this meeting.

**II. ROLL CALL AND PROXIES**

With 32 lots represented in person and 39 proxies received a quorum was reached.

**III. VERIFICATION OF NOTICE**

Gary Nicholds stated that notice of the meeting was sent to owners in accordance with the Bylaws.

**IV. APPROVAL OF MEETING MINUTES**

Hans Kuschnerus made a motion to accept the minutes from the July 10, 2010 Annual Meeting as presented. David Lennon seconded and the motion carried.

**V. BASIC PROPERTY MANAGEMENT REPORT**

Gary Nicholds said it had been a good year. Even though it was a very snowy winter the contractor managed snow removal with only a couple of challenges. There were only minor parking violations and improperly displayed signs have been addressed.

**VI. ARCHITECTURAL REVIEW COMMITTEE (ARC)**

Michal Stefanacci reported that there were 108 existing homes and one under design review. The Reserve is 81% built out. There are 12 homes for sale, one is under contract and two sold within the past year. Out of the 26 unbuilt lots, seven lots are for sale and one recently sold.

Some owners are remodeling and adding items such as hot tubs or larger decks and many owners are refreshing the paint. She said she appreciated Gary Nicholds' prompt response when issues arise in the neighborhood. Hans Kuschnerus suggested sending a notice to all owners to remind them of the Covenants.

Michal reported that 15 residences have been identified that are in need of maintenance repairs or restraining. This number does not include vacant lots. The owners will be notified. These issues have to be addressed and the ARC will develop rules and guidelines. There are currently three ARC members and the Board agreed to increase the committee to five members. One owner has expressed interest and she welcomed additional owners to join the committee.

Michal explained that owners have to submit plans to the ARC for any changes to the exterior of a building. The procedures are posted on the website. There are no guidelines for landscaping. Hans Kuschnerus clarified that changes to the inside of the house are allowed without review as long they are in compliance with building code. New construction requires a landscape plan.

**VII. TREE REMOVAL**

At last year's meeting Jim Fuxa proposed removal and thinning of about 200 trees located on the corner of Lupine and Chiming Bells to maintain the forest health. The cost was estimated at \$10 - \$15 per tree. No owners at the meeting spoke against this proposal. After the meeting, one family expressed concern about cutting the trees. They pointed out that there is a legal contract with the Town of Frisco and an Open Space Agreement that expressively states no live trees can be cut. The Board responded that they would not proceed with removal at that time until further research had been done.

The Board sought advice from different attorneys and received legal opinions that the trees could be removed in order to maintain property values. The Town attorney responded with a letter that had an extremely strong opinion that the Association had the right to remove trees. The Association's attorney, Dan Wolf, also agreed that trees can be removed.

Jim Fuxa said there were a total of about 50 trees that needed to be removed from a knoll and 40 from other preservation areas. Some owners (including the Board) cleared out slash and removed these trees at no cost to the Association. The Board was advised by the County Fire Marshall and a State Forest Ranger to look at the interface between Highway 70 and the Association preservation lands. There are a lot of dead standing trees; the County

Commissioner and CDOT agree that the area needs to be cleaned up but there are no funds available.

Joe Lamb said some of the 200 yellow tagged trees had been removed. He would like to implement a restriction on the thinning process to protect the Association.

Joe Lamb made a motion that in accordance with the Colorado State Forest Service guidelines for thinning of 20 or more year old lodgepole stands on the public open space, the Association's thinning activities shall be restricted to the following categories:

1. All infested beetle trees marked by the Town of Frisco.
2. All dead standing trees.
3. All dead fallen trees.
4. Severely leaning trees that are creating an imminent hazard.

Since the Public Open Space is Town of Frisco property, the Association Board is hereby required to affirmatively defend these restrictions as in full compliance with the Open Space Use and Maintenance Agreement dated August 28, 1996.

Dan Wolf said the Board is a qualified authority to maintain the area. The Association has a contractual relationship with the Town of Frisco and is subject to the obligation of that open space. The Town has put in writing the Association's responsibility to maintain the forest areas.

George Yantz said the Board had spent a lot of time and money to resolve this matter and they are obligated to follow the rules and regulations that govern the Association. The Board is not planning to remove any live trees at this point. He strongly recommended that owners follow the advice of the Association attorney.

An owner made a motion to call the question. Joe Lamb amended his motion to an advisory motion. The motion was seconded. In a show of hands there were 18 votes in favor and 11 opposed. Proxy votes were two in favor and 32 opposed. The motion did not carry.

Over 90 trees were cut last year throughout the entire Reserve while approximately 50 of these were on the knoll behind Chiming Bells and Lupine Lane and 30 were planted along the I-70 corridor and 14 along the bike path. All trees are on a drip system and are healthy.

George Yantz said that in the process of seeking advice from the Town of Frisco attorney it was discovered that the Association does not own the preservation area but is responsible for maintaining it. The Town of Frisco owns the property and it could be used, for example, as a playground, tennis court or parking lot. If the Association does not maintain the property, the Town of Frisco could bill the Association for the upkeep. Hans Kuschnerus asked if it was possible to improve the contract with the Town. George Yantz and Jim Fuxa said the Board would work with the Town on the issue of why the Reserve should have to pay taxes on land the Reserve does not own.

## **VIII. PROXY VOTE PROPOSAL**

The Board proposed a more equitable distribution of unassigned proxy votes. The proposal is being offered as an alternative to past voting procedures, whereby all undirected proxy ballots

were given to the Board President to vote as a uniform block. The Board feels this method of voting gives the President an unfair advantage and could result in one person having the ability to alter the outcome of an owner vote. The Board is in unanimous agreement that there should be a more judicious standard.

The Board proposed that unassigned proxies be given to the Board Members in the following order: first proxy to the President, second proxy to the Vice President, third proxy to the Secretary, fourth proxy to the Treasurer and the fifth proxy to the Member at Large (if one exists). Any additional proxies will be apportioned in the same manner until all have been distributed.

A motion was made to approve the proposal. The motion was seconded. Joe Lamb made a motion to change the proposal so that the proxy form has two check boxes and a proxy can be given only for the purpose of establishing a quorum. The motion was seconded.

In a show of hands, 21 owners voted in favor of the first motion and eight were opposed. In addition, 32 proxies were cast in favor and two were cast against so the motion carried.

In a show of hands, 10 owners voted in favor of the second motion and 17 were opposed so the motion did not carry.

## **IX. YEAR-TO-DATE FINANCIAL REPORT**

Candy Ramage provided a financial update.

### *A. Balance Sheet as of June 30, 2011*

1. Total Checking/Savings - \$109,418. There is \$5,905 that is refundable for construction/landscape deposits and \$68,813 is earmarked for Reserve Funds, leaving \$34,700 Operating cash.
2. Total Accounts Receivable - \$4,914 for unpaid dues (\$700 collected in July, balance refers to four owners from \$400 to \$2,400 in various stages of collections).
3. Total Assets - \$118,332.
4. Total Current Liabilities - \$863.
5. Total Long Term Liabilities – includes \$5,905 for refundable construction/land deposits and \$68,813 for Reserved Funds.
6. Total Liabilities and Equity - \$118,332.

### *B. Income Statement as of June 30, 2010.*

1. Total Ordinary Income - \$3,184 over budget due to late fees and finance charges which may or may not be collected.
2. Total General/Admin. Expenses - \$564 under budget.
3. Total Board Admin. Expenses – \$792 under budget.
4. Total Grounds Maintenance Expense – \$4,860 under budget.
5. Net Ordinary Income - \$8,272 over budget.
6. Reserve dues of \$7,299 covered Tree Preservation Expenses of \$7,082 and the remaining \$217 was moved to Reserved Tree Preservation Funds.
7. Total Architectural Review Committee Income – \$9,768 over budget.

8. Total Architectural Review Expenses – \$2,934 over budget.
9. Net Income – \$0.

Joe Lamb recommended earmarking \$40,000 of the Reserve Fund for future road work at the cul de sacs and moving it into a separate savings account. Gary Nicholds said he had a professional evaluate the cul de sacs and they are in pretty good condition. The crack sealing held up well.

David Lennon made a motion to approve the Financial Report. The motion was seconded and carried.

#### **X. RATIFICATION OF BOARD APPROVED 2011/2012 BUDGET**

Candy Ramage reported that the budget as written included no dues increase.

#### **XI. ELECTION OF DIRECTORS**

The terms of Jim Fuxa and Kevin Allen expired so there were two seats up for election. Jim Fuxa indicated he did not plan to run again. The Board received nominations for Joe Lamb and Kevin Allen. There were no other nominations from the floor and Joe Lamb and Kevin Allen were elected by acclamation.

#### **XII. NEW BUSINESS**

##### *A. Fire Chief*

The fire chief wrote a letter to CDOT about creation of defensive space. The right of way contains dead and infested pine beetle trees. CDOT has not yet responded. An owner recommended scheduling an Owner Work Day to clean up the area but this may not be permitted by CDOT due to liability concerns.

##### *B. Oxeye Daisies*

An owner said oxeye daisies were spreading rapidly in certain sections along the road. He asked that the Board investigate a solution to this issue as soon as possible before the daisies get out of control. The Board noted the concern and will check with the Town of Frisco.

##### *C. Tree Spraying*

An owner said “Beetleblockers” were an alternative to tree spraying. Jim Fuxa was not sure that they work for all three types of beetles that are in the area (twig, spruce and pine beetles). Owners interested in receiving more information about Beetleblockers can contact John Cronin at 877-7-4TREES (87337) or visit [www.beetleblockers.com](http://www.beetleblockers.com).

#### **XIII. OLD BUSINESS**

##### *A. Berm*

An owner asked for an update on the berm along I-70. A plan for a berm from exit to exit has been established although construction will be a slow process.

*B. Recognition*

The Board and homeowners thanked Jim Fuxa for his many years of service on the Board.

**XIV. NEXT ANNUAL MEETING DATE**

The next Homeowner Meeting will be held on July 14, 2012.

**XV. ADJOURNMENT**

A motion was made to adjourn the meeting at 10:56 a.m. The motion was seconded and carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature