

TO: Silvertrees HOA Members  
FM: Silvertrees HOA Board of Directors  
DT: March 31, 2006

As a Homeowners Association, we have some significant business to discuss at the upcoming Annual HOA meeting on **Saturday, April 29<sup>th</sup> at 8:00 AM**. We encourage all members to attend and participate in the decisions affecting budgets and future operations.

- **Winter Damage:** We suffered a fair amount of damage due to the higher than normal amounts of snowfall and ice buildup. Ice dams caused water to flow into several units, ice has fallen onto several window well shed roofs and deck railings severely damaging them, and shingles have been pulled off the roof from fallen ice. We have had several emergency roof repairs throughout the winter as well as preventive snow & ice removal. We are developing a plan to repair this damage, but the winter is not yet over.
- **Pine Beetle Infestation:** Unless we take action this year and following years, we stand to loose a large number of Pine trees surrounding our condo units. Proactive pesticide control is required for the next few years to preserve our beautiful trees.
- **Insurance Deductible Increase:** Our insurance deductible has increased from \$1,000 to \$5,000 which means we are now responsible for the first \$5,000 in damage repair costs. We need to build a reserve to handle this.
- **Sprinkler System:** We have some serious issues with the existing fire sprinkler system in the buildings. We need to develop a plan to deal with them.
- **Outside Painting:** It has been 6 years since the buildings have been painted. In order to maintain the level of quality these units project, the Board of Directors have voted to repaint all 3 buildings this year.
- **One Time Assessment:** The Board of Directors have approved a one time assessment fee of \$600 per unit (\$150 per quarter) to fund the insurance deductible and pay for this year's unexpected cost overruns.
- **HOA Fee Increase:** The Board of Directors have approved an increase in the monthly HOA fees to \$300 per month to help pay for increased operating costs and to fund future major repairs. There has not been an HOA fee increase in 3 years. The average HOA fees on the mountain are well over \$300.
- **Staircase Lighting:** In order to manage energy costs, we are replacing all staircase light bulbs with long life energy saving lamps which are expected to last 10 times longer and use 75% less energy. We are also proposing to replace the Staircase light fixtures in building 4010 to prevent possible fire hazards. We have had an incident with these light fixtures where the wire became brittle and caused an electrical short circuit.
- **Rules & Regulations:** The Board of Directors will lead a discussion on possible changes to the Rules & Regulations as well as services provided.

It is the intent of the Board of Directors to maintain property values while also managing cost. Where financially possible, we also implement small projects to increase the value and beauty of our homes, be it your full time residence or part time retreat.

The Board of Directors would also like to make you aware of the following:

- **2005 Improvements:** Several improvement projects were completed last year, including:
  - o Blacktop sealant was applied to the road in front of the units.
  - o Many flowers and shrubs were planted in front of each unit.
  - o Solar garden lamps were installed in the front garden areas.
  - o Mulch was added to garden areas.
  - o Landscaping in fire lane completed.
  - o Fire hydrants were painted.
  - o All doors and windows on rear of buildings were painted.
  - o Guttering and down spouts were added to channel water away from driveways.
- **Insurance Coverage Change:** Please review the attached notice of *Insurance Coverage Change* and discuss these changes with your individual insurance agent to ensure you are covered for the assessment of an association deductible. Failure to heed this warning could be expensive.
- **Individual Unit Damage:** Please inspect your property for possible winter snow & ice damage. If it is the HOA responsibility for repair, we require damage information in writing by May 15<sup>th</sup> in order to be considered for reimbursement. Please notify any member of the Board of Directors in writing prior to the deadline. If you have any questions concerning damage, please contact one of us.
- **Repair/Improvement Requests:** From time to time you may notice something needing repair or perhaps you have an improvement idea. Please contact any member of the Board of Directors (by phone, email or in writing) with any suggestions you may have.
- **2006 Improvements:** Your suggestions will be reviewed by the Board of Directors. Please contact one of us with your ideas.
- **Silvertrees HOA Website:** In case you are not aware, Silvertrees HOA has a website where you can see monthly financials, meeting minutes, insurance info, contact info and other useful information. Go to <http://wildernesthoa.com/> and select "Silvertrees". The site is still being populated with current/correct information.
- **Major Maintenance Plan:** Included with this mailing is the proposed schedule of major maintenance over the next several years and projected cost estimates.
- **Communications:** The Board of Directors would like to keep you informed on HOA business and new developments on a regular basis. In order to minimize expenses incurred by postal fees, please forward your email address to [mjborek@aol.com](mailto:mjborek@aol.com).

Respectively Submitted,

Bill Roth, President, 970-468-4807, [rothrealtyinc@aol.com](mailto:rothrealtyinc@aol.com)  
 Trudy Bassett, Vice President, 970-468-7475, [trudyskerl@aol.com](mailto:trudyskerl@aol.com)  
 Mike Borek, Secretary / Treasurer, 303-324-0036, [mjborek@aol.com](mailto:mjborek@aol.com)

# NOTICE *of* ANNUAL MEETING

Notice is hereby given that the Annual Meeting of The Silvertrees at Wildernest Condominiums will be held as follows:

**Saturday, April 29, 2006  
Annual Meeting – 8:00 A.M.  
Wildernest Commercial Center**

## PROPOSED AGENDA:

1. REPORT OF PRESIDENT
2. REPORT OF MANAGEMENT
3. FINANCIAL CONSIDERATIONS  
    Budget
4. REPAIR AND MAINTENANCE ISSUES
5. ELECTION OF DIRECTORS
6. OTHER MATTERS  
    Meeting Dates
7. ADJOURNMENT

The strength of the Association is dependent upon the thoughtful participation of its owners. It is most important that quorum requirements are met. If you are unable to attend, please **complete the enclosed proxy and mail or fax to allow for receipt prior to the meeting date to the following address:**

Wildernest Property Management  
Attn: Audrey Taylor, HOA Liaison  
P. O. Box 1069  
Silverthorne, CO 80498  
(970) 468-6025, ext.217 Fax: (970) 262-0913

**PROXY**  
**THE SILVERTREES AT WILDERNEST CONDOMINIUMS**

I, (print your name) \_\_\_\_\_, am a member in good standing of THE SILVERTREES AT WILDERNEST CONDOMINIUMS under the provisions of the legal instruments of that corporation.

**PLEASE NOTE:** EACH UNIT IS ALLOCATED ONE VOTE. THEREFORE, CO-OWNERS MUST COORDINATE THEIR VOTES AND **RETURN ONLY ONE PROXY PER UNIT.**

PLEASE CHECK ONE OF THE FOLLOWING:

\_\_\_ 1. I grant my proxy to the President of The Silvertrees at Wilderdest Condominiums, c/o Wilderdest Property Management, Attn: Audrey Taylor, HOA, Liaison, P. O. Box 1069, Silverthorne, CO 80498.

\_\_\_ 2. I grant my proxy to \_\_\_\_\_. (If you prefer, please name another individual who will carry your proxy to the meeting to vote on your behalf.)

This proxy, which is executed for the Annual Meeting of the Silvertrees at Wilderdest Condominiums scheduled for Saturday, April 29, 2006, and all adjournments thereof, carries with it full right to the proxy holders to cast his/her vote(s) as he/she sees fit, and to represent me on any matter or resolution which may come before the meeting and take any other action which I could personally take if present at the meeting.

THIS PROXY SHALL REMAIN IN EFFECT FOR THIS MEETING UNTIL REVOKED BY ME.

DATE \_\_\_\_\_ SIGNATURE \_\_\_\_\_

UNIT NO(S). \_\_\_\_\_ COMPLEX: Silvertrees at Wilderdest

NAME: \_\_\_\_\_

RESIDENCE ADDRESS \_\_\_\_\_

\_\_\_\_\_ NEW ADDRESS? \_\_\_(Y)\_\_\_(N)

PHONE(S) \_\_\_\_\_ NEW PHONE #? \_\_\_(Y)\_\_\_(N)

EMAIL \_\_\_\_\_

**If you are unable to attend please complete and mail or fax to the following address in time to be received prior to the meeting date.**

**Wilderdest Property Management**  
**Attn: Audrey Taylor, HOA Liaison**  
**P. O. Box 1069**  
**Silverthorne, CO 80498**  
**FAX (970) 262-0913 \* Phone 970 468 6291**

**SILVERTREES  
APPROVED BUDGET  
FISCAL YEAR JUNE 2006 TO MAY 2007**

	<b>9 MONTH 06/05-02/06</b>	<b>APPROVED 06/05-05/06</b>	<b>12 MONTH 06/05-05/06</b>	<b>APPROVED 06/06-05/07</b>	
<b><u>OPERATING INCOME</u></b>					
501 OPERATING DUES	34,668.00	46,224.00	46,224.00	46,224.00	
OPERATING DUES INCREASE				8,230.00	1
509 OPERATING SURCHARGE	0.00	0.00	0.00	10,800.00	2
521 OPERATING INTEREST	355.56	310.00	500.00	500.00	
<b>TOTAL OPERATING INCOME</b>	<b><u>35,023.56</u></b>	<b><u>46,534.00</u></b>	<b><u>46,724.00</u></b>	<b><u>65,754.00</u></b>	
<b><u>OPERATING EXPENSES</u></b>					
601 PROFESSIONAL SERVICES	0.00	0.00	0.00	0.00	
602 ACCOUNTING	491.89	375.00	491.89	400.00	
604 SENATE BILL 100 COMPLIANCE	300.00	0.00	300.00	500.00	
607 MISCELLANEOUS	226.86	315.00	350.00	350.00	
611 MANAGEMENT FEES	6,480.00	8,640.00	8,640.00	8,640.00	3
621 INSURANCE	3,837.75	5,830.00	4,977.00	5,200.00	
661 SNOW REMOVAL - ROAD	648.00	864.00	864.00	864.00	
662 WATER AND SEWER	6,463.80	8,962.00	8,618.40	9,000.00	
663 CABLE TV	3,024.11	3,800.00	4,000.00	4,200.00	
665 TRASH REMOVAL	832.50	1,031.00	1,100.00	1,100.00	
666 SNOW REMOVAL	2,609.75	1,500.00	3,000.00	3,000.00	
667 SECURITY AND FIRE SAFETY	1,032.75	1,500.00	1,500.00	1,500.00	
669 ELECTRIC	2,750.15	4,130.00	4,000.00	4,200.00	
671 GENERAL BLDG MAINT	1,424.15	4,500.00	2,500.00	3,000.00	
672 PLUMBING AND HEATING	1,099.27	0.00	1,099.27	3,000.00	
673 SUPPLIES AND MATERIALS	168.15	500.00	200.00	500.00	
674 PAINTING	31.15	50.00	50.00	500.00	
675 GROUNDS & PARKING MTCE	4,180.58	1,700.00	5,575.00	1,500.00	
676 ROOF MAINTENANCE	3,319.35	1,500.00	4,425.00	7,500.00	
680 <del>INSURANCE</del> CONTINGENCY	0.00	0.00	0.00	5,000.00	2
<del>FY 06 OPERATING DEFICIT</del>				4,966.56	*
<b>TOTAL OPERATING EXPENSES</b>	<b><u>38,920.21</u></b>	<b><u>45,197.00</u></b>	<b><u>51,690.56</u></b>	<b><u>64,920.56</u></b>	
<b>OPERATING PROFIT (LOSS)</b>	<b><u>(3,896.65)</u></b>	<b><u>1,337.00</u></b>	<b><u>(4,966.56)</u></b>	<b><u>833.44</u></b>	<b>**</b>
<b><u>RESERVE INCOME</u></b>					
511 RESERVE DUES	4,374.00	5,832.00	5,832.00	5,832.00	
RESERVE DUES INCREASE				4,514.00	
522 RESERVE INTEREST	1,302.09	325.00	1,700.00	1,700.00	
<b>TOTAL RESERVE INCOME</b>	<b><u>5,676.09</u></b>	<b><u>6,157.00</u></b>	<b><u>7,532.00</u></b>	<b><u>12,046.00</u></b>	
<b><u>RESERVE EXPENSES</u></b>					
811 SIDING REPL/RESURFACING	2,200.00	0.00	2,200.00	20,194.00	
812 ROOF REPAIRS	1,269.29	0.00	1,269.29	0.00	
814 LANDSCAPING	0.00	1,000.00	1,000.00	500.00	
815 ASPHALT	1,650.00	0.00	1,650.00	0.00	
<b>TOTAL RESERVE EXPENSES</b>	<b><u>5,119.29</u></b>	<b><u>1,000.00</u></b>	<b><u>6,119.29</u></b>	<b><u>20,694.00</u></b>	
<b>RESERVE PROFIT (LOSS)</b>	<b><u>556.80</u></b>	<b><u>5,157.00</u></b>	<b><u>1,412.71</u></b>	<b><u>(8,648.00)</u></b>	<b>##</b>
<b>OPERATING FUND ANALYSIS</b>					
Current Year Beginning Balance	(282.45)		38,170.57		
Projected Profit (Loss)	<u>(4,966.56)</u>	*	<u>1,412.71</u>	#	
Projected Year Ending Balance	(5,249.01)		39,583.28		
Next Year's Budgeted Profit (Loss)	<u>833.44</u>	**	<u>(8,648.00)</u>	##	
Projected Year Ending Balance			<u>30,935.28</u>		
<b>RESERVE FUND ANALYSIS</b>					

1) Monthly dues increase to \$300.00 a month (minus Reserve Income).

2) Operating Deficit Surcharge of \$600 per unit (\$150 per quartet) to cover current year operating loss and insurance deductible.

3) Increased Management Fee to \$16,330.00 per year if managed by Wildernest Property Management, but it will reduce some expense items such as snow removal to accommodate the fact that shoveling is included as a Wildernest management service.

4) INCLUDES

**SILVER TREES**  
**Major Maintenance Plan**  
 Revised 03/29/2006

				YEAR ENDING MAY 31																
				2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Year of Actual or Estimate	Cost		Normal Life Expectancy	Beginning	31,407	38,171	39,584	31,214	42,821	54,598	67,174	85,851	100,024	119,354	143,702	174,113	210,327	253,362	304,969	
				Reserve Interest	932	1,700	1,979	1,561	2,131	2,730	3,359	3,293	4,001	3,468	4,185	4,995	45,000	396	1,016	1,868
				Special Assessments																
				Permanent Transfer																
				Contribution	5,832	5,832	10,348	10,348	10,346	10,348	11,381	11,381	11,381	11,381	12,519	12,519	12,519	12,519	13,771	13,771
				Income Total	38,171	45,703	51,909	43,121	55,088	67,874	81,913	80,524	95,406	84,202	100,406	162,420	20,827	33,862	48,801	30,538
2001	\$15,980	A	6 Years	811 - Siding Resurfacing & Repair		2,200	20,184													
2000	\$81,000	E	20 Years	812 - Roofs		1,268													32,332	
	\$500	A	1 Year	814 - Landscaping		1,000	500	500	500	500	500	500	500	500	500	500	500	500	500	
				815 - Asphalt Sealcoat																
2005	\$1,481	A	5 Years	815 - Asphalt Sealcoat		1,850														
2000	\$10,109	E	15 Years	Overlay							15,562								2,295	
2003	\$ 1,961	A		818 - Bldg Maintenance																
				Expense Total	0	6,119	20,894	500	500	500	16,062	500	26,052	500	500	154,507	500	500	32,832	500
				BALANCE	38,171	38,584	31,214	42,821	54,598	67,174	85,851	100,024	119,354	143,702	174,113	210,327	253,362	304,969	370,038	

ANNUAL INFLATION RATE: 4.00%  
 EST. INTEREST RATE: 5.00%

[10% Monthly HOA dues increase every 4 years (16% Reserve contribution)  
 Special Assessment of \$2,500 per unit at time of roof replacement