

**MINUTES
2006 ANNUAL MEETING
RUBY RANCH OWNER'S ASSOCIATION**

The annual meeting of the Ruby Ranch Owners Association ("Association") was held at the Silverthorne Town Hall on Saturday, September 2, 2006, commencing at 8:45 a.m. The meeting was called to order by David W. Robbins, President of the Board of Directors of the Association.

I. Call to Order and Welcome

President Robbins called the meeting to order and welcomed everyone.

II. Introductions and Determination of a Quorum

President Robbins introduced himself and the members of the Board of Directors present at the meeting. He also introduced the members of the Willow Brook Metropolitan District Board of Directors' present at the meeting. He then asked the owners present to stand and introduce themselves and state the lot they owned.

President Robbins announced that there are a total of 108 possible votes that can be cast at an annual meeting. President Robbins announced that a total of 51 votes were present in person and 24 votes were present by proxy for a total of 75 votes present or by proxy. There were a total of 33 votes absent without proxy. The President declared that in accordance with Article VI, Section 4, of the Ruby Ranch Covenants a quorum was present.

III. Approval of the Agenda

The President called for any changes, additions or deletions to the agenda that was submitted with notice of the meeting. None were forthcoming and upon motion duly seconded the agenda was adopted unanimously.

IV. Consideration and Approval of Minutes of the Owner's 2005 Annual Meeting

The President asked if there are any changes, additions or deletions to the minutes of the 2005 annual meeting that were submitted with notice of the meeting. None were forthcoming and upon motion and second the minutes were approved as submitted.

President Robbins stated for the record that minutes of the Association Board of Directors meetings during the previous year had been sent with notice of the meeting. He inquired of the members present whether there were any comments concerning these minutes. No comments were forthcoming and upon motion and second the association voted to acknowledge receipt of the Board's meeting minutes.

V. Report of Association Finances and Discussion of New Reporting Requirements

President Robbins provided a brief summary of the finances of the association. He reported that the only expenditures during the past year were for the rental of the building for the annual meeting and the payment to the Secretary of State for a certificate of good standing recognizing the non-profit status of the Association. President Robbins reported that the balance at the last annual meeting was \$12,254.24 with two construction deposits totaling \$10,000.00. He reported that the only expenditure for 2006 prior to the annual meeting was for \$180.00 for hall rental leaving a balance as of the 2006 annual meeting of \$12,074.24 of which \$10,000.00 consists of construction deposits.

VI. Pine Beetle Control and Related Forest Health Issues

President Robbins called on Pat Tormey. Pat gave a detailed report concerning the terrible conditions existing in Summit County with the pine beetle. She explained that the beetle epidemic was certain to continue and that it was very likely that a high percentage of the Lodge Pole Pine in Summit County, including those on the Ruby Ranch, would be killed as a result. She explained that while spraying may retard the beetles' advance, it is unreasonable to think that all of the trees on the Ranch could possibly be sprayed and there is even question whether spraying is totally effective. She explained that owners who desire to keep spraying are certainly free to, but that spraying of trees on every lot and the common areas on the Ranch is no longer a realistic solution. Pat explained that Mr. Morgan had been working on the Ranch with very large machines to remove beetle infected trees and that 1,150 trees had been removed. Pat indicated that she would be happy to help with trying to obtain grants to assist in the cost of removing beetle infested trees.

Pat also reported that the Metropolitan District Board had created a fuel break along Emerald Road and would continue to try and address the areas on the Ranch where the risk of falling trees during a large wind or fire might make exit from the Ranch more difficult. There was a comment from the audience about the effect of leaving wood chips from the clearing activity on the ground at some depth and the potential that it would limit the ability for revegetation. The owners present expressed their appreciation to Pat for her ongoing efforts on their behalf.

VII. Report of the Fire Mitigation Committee

President Robbins called on Doug Tormey. Doug reported that there was a very high fire danger in the County as the result of the beetle assault. He explained that there was a work day on July 22 to try to eliminate a hot spot located near the boundary of the Elway and Lauch properties. He explained that the small valley that ran uphill toward the Elway house on Lot 39 from the vicinity of the Guerette house on Lot 30 created a natural fire chimney. Doug reported that Linda Lauch had personally funded the removal of downed timber on her property, Lot 33, which sits on the north side of this area. She put in \$2,000 and the County had matched it with \$1,000. Doug expressed appreciation for Linda's contribution to Ranch fire safety. Doug explained that he and Pat had prepared a map showing the potential hot spots on the Ranch which was displayed. They were indicated by large red areas. Some of them reflected places where trees might fall across the roads, but others indicated places where little or no thinning or

clearing of the downed timber had occurred. The only common tract left that is still considered a hot spot is on Emerald Road in the vicinity of the water tank. The rest of the hot spots are on private lots. President Robbins thanked Doug for his report.

VIII. Control of Noxious Weeds

President Robbins called on Susanne Muller to report on Ranch efforts concerning the control of noxious and invasive weeds. Susanne reported that weeds come in whenever there is disturbance in the ground and opening of the woods by removal of trees. Two kinds of daisies that often occur in seed mixes that are purchased commercially are considered noxious and invasive on a natural basis. One is the cut leaf daisy or false chamomile, the other is the oxide daisy. The concern is that if they are maintained on private property there is a strong chance that they could escape into the wilderness and disrupt the natural system. She reported that the Shasta daisy is a natural occurring daisy, but it needs a careful inspection because it has a lot of similarities to the oxide daisy. She stated that the best way to control noxious weeds, such as thistle or false chamomile, is to spray them before they flower. President Robbins thanked her for her efforts.

IX. Report from the Willow Brook Metropolitan District

President Robbins called on Mr. Tom Stokes, President of the District Board. Tom in turn asked Conner Shepherd the new District Manager and Eric Kircher, the District Road and Water System Superintendent to assist in the report. Tom first reported that Steve Schroeder who had been the loyal and effective manager of the district for 14 years had decided to retire and move to New Mexico. There was general discussion about how helpful and important to the Ranch Steve had been. Tom then reported that Conner Shepherd, who works with Mulhern MRE had been retained to replace Steve. Tom went over Conner's credentials. Conner explained that the preliminary assessment for Ruby Ranch was set at \$5,043,310 for 2007. He explained that the assessment had actually gone down even though several homes had been built because unbuilt property is treated as commercial property and valued at a higher base than residential property. There had been some reduction in commercial valuation during the year thus the lower ranch valuation. He explained that the district would end 2006 with approximately \$182,532 as carry over.

Conner discussed the proposed changes in the way accounting would be performed and presented a preliminary budget for the 2007 calendar year for the District. A copy of the preliminary budget is filed with the minutes. He then reported that the JMC debt was paid off in 2006 and that they hoped to retire the water bonds by 2010 which could save as much as \$50,000 for the District.

In discussing stable management, Conner referred to the report from the stable manager, John Longhill. The report indicated that the barn was full with 9 horses and 4 on pasture board. New fencing was installed along Ruby Road, a hot water system was put in for horse baths and a better method for managing manure and moving it to places where it could be beneficially used had been installed. The barn budget showed a net profit for the year.

The report on road maintenance was given by Eric Kircher. He reported that they had again resurfaced a significant distance of roads with recycled asphalt and expressed the opinion that they would be able to complete the rest of the Ranch roads in 2007. Eric explained, as he does each year, that the speed of travel uphill on the Ranch roads is what creates the washboards and the most cost effective step that Ranch residents, their guests and their contractors could take would be to slow down so as to not create the washboards because once they occur he has to go through an expensive process to grade them back out.

In a report on the entry gate, Eric indicated that the gate was as good as it goes. It was operating although there have been times during the year when the electronics have had some trouble.

In his report on water system maintenance, Eric reported on the upgrades to the system including upgrades to the electronics and the fact that extra water testing needs to be done pursuant to state health standards. He also discussed the fact that running toilets have resulted in several home owners receiving very large bills. Eric suggested that if you are not a full time resident or if you are going to be out of town it is important to give your neighbor a key so that Eric can get in and get the toilets shut off when he sees that a problem is occurring. There was some discussion about measures to prevent that and President Robbins pointed out that he had installed a cut-off valve that is thrown whenever people leave the house thereby preventing any water from leaking within the structure.

In a report on capital improvements Conner reported that the 2007 improvements will include doing additional fencing on tract K, finishing the water system controls and completing the resurfacing of the roads system.

Finally, President Stokes explained that the irrigation operations on the ranch during 2006 were the responsibility of Ethan Kircher, Tom Festa and Dave Spencer. Tom is responsible for maintaining the Sawmill Ditch. Ethan has taken over for Aaron Bork as the ranch irrigator and Dave has been the jack-of-all-trades troubleshooting issues on the Ranch, helping to solve problems and supervising the installation of a series of plastic ditch liners, made from corrugated plastic drain pipe cut in half that is refashioned into a liner by Dave and which seems to work extremely well in areas where ditch leakage is a problem. Everyone thanked the ditch folks present for all of their efforts.

X. Report on Owner Communications and the Ruby Ranch Internet Cooperative

President Robbins called on Carl Oppedahl to report on owner communications and explain the wrap up of the Ruby Ranch Internet Cooperative Association. Carl explained that because of the variety of issues the Internet Cooperative was no longer a viable option and everyone had moved from that internet source to either Qwest or Comcast. He explained that there were three pages on the Ranch website (www.rubyranch.com) "Ranch" is for all communications to all Ranch Owners, "day to day" is for communications among ranch owners and "charitable" is so that Ranch Owners can make appeals for charities in the County.

XI. Report from Architectural Review Committee

President Robbins called on John Longhill. Chairman Longhill reported that houses on two lots were under renovation; Janet Elway on Lot 39 and Dave Spencer on Lot 6. In addition, two lots had homes under construction; Lot 51, owned by the Iliffs and Lot 46, owned by the Lapidus'. He also reported that construction was nearing completion on two other lots, Lot 31, owned by the Bermans, and Lot 42B, owned by the Tormeys.

XII. Report from the Security Committee

Although Erika Karplus was not present, a report was provided. Erika had indicated the Sheriff reported that there were no problems with Ruby Ranch, although recently there had been a report of a young man going door to door on the Ranch selling magazines and the thought was that it might be the son of a housekeeper. She indicated that if you run into people who you don't recognize on the Ranch it is very important to confront them and ask them to leave or call the Sheriff. She again mentioned that Ranch Owners should be very careful not to let their dogs run loose and chase wildlife because there are State statutes and regulations which can create dire consequences for the animals if someone were to call the Division of Wildlife.

XIII. Report on the Status of Local Area Development Plans

There was a significant discussion of the development on the Smith Meadow. The Kum & Go store is under construction and it is expected that the Adam's Avenue connection to Ruby Road will be paved. The eastern portion of the Smith Meadow that is in the town is zoned commercial, although no strong interest has yet been shown to develop it further. One entity has shown regular interest in constructing a store and has been back several times, but nothing more has happened. With regard to the western portion of the Smith Meadow that is in the County, it is owned by Seminole Land Holdings. There is a contract on that land held by Compass Homes who have promised to offer affordable housing at the location and significant other benefits to the Town but final plans and approvals have not materialized. Erika indicated that the Kum & Go store has the new downcast lighting and the Town will use light meters to ensure that it meets the Town standards. John Longhill has indicated a desire to buy the remainder of the Smith Meadow, although his efforts have not reached fruition.

XIV. Report From the Special Committee on Rental Policy

Don Samuels reported on the Ranch Rental Policy. The committee consisted of Dave Radlauer, Randall Seeger, Jeff Bork, Linda Lichtendahl, Chris McGadden and Susanne Muller. Don presented the proposed rule governing rental of homes on the Ruby Ranch. There was significant discussion about the need to have a contract between the Ruby Ranch Owners Association and any owner wishing to rent. There was expression of concern about problems with renters speeding on the Ranch, creating problems by trespassing on other lots and common space, and creating other disruptions. The Owners indicated that they hoped that there would be a way to create consequences for renters failing to comply with the Ranch Covenants and policies and they suggested that it was important to find a way to impose sanctions. Don read the provisions of the proposed policies and after additional discussion, the policies were adopted as rental rules by the Owners after motion and second on a unanimous vote.

XV. Old Business

President Robbins called for any discussion for old business and none was addressed.

XVI. New Business

President Robbins requested the Owners' consideration and approval of a modification to the architectural guidelines to permit the use of stucco on a broader basis given the importance of fire safety on the Ranch. He explained that when the architectural standards were originally adopted, forest fire safety was not one of the critical issues and the guidelines specifically stated that stucco was not a favored exterior treatment. However, in light of the need to eliminate highly flammable siding on homes, stucco has become one of the preferred exterior treatments. President Robbins indicated that so long as the stucco was colored an earth tone so that it didn't stand out, there should not be a problem. The Owners Association agreed, and after a motion and second unanimously approved a modification to the architectural standards used by the Architecture Review Committee to permit the use of stucco.

XVII. Election of Two Association Board Members

President Robbins announced that the terms of Erika Karplus and Susanne Muller were expiring this meeting. The Nominations Committee had sought interest from members of the community to run for those terms, however, no additional statements of interest were received and both Erika and Susanne had indicated a willingness to serve another term. President Robbins called for nominations from the floor, the nomination was made to elect Erika and Susanne by unanimous vote. The motion was seconded and the motion passed unanimously.

XVIII. Adjournment

President Robbins announced that Larry and Linda Kull, the owners of Lot 48, had graciously agreed to host the annual Owners lunch and get-together which was to begin at 12:00. There being no further business to come before the annual meeting, President Robbins declared the meeting adjourned at 11:25.