

October 23, 2008

Dear Members,

As 2008 draws to a close, there are many issues affecting Gold Mountain that your homeowners association has been both monitoring and involved in. While I wish I could say that we have solved all of our problems, I cannot. There has been much good accomplished but the largest issue we have, the sale of the golf course and the associated properties, is still unresolved.

As you may or may not know, the golf course closed on September 30th with requests from the Trustee and the investor group to the HOA to somehow save the day. By our CC&R's, the HOA cannot become involved in golf course or club house maintenance. I think many of us would like to do what is necessary, but besides not being legal, we do not have funding for such an effort.

Neither our board nor our Developer Interface Committee really knows what to expect. The trustee and the investor group have not disclosed much about the future. The three or four potential buyers have not given us any indication of what they plan to offer. For now, we are trying to keep abreast of the interaction between the two sides with the hope that a sale happens before next spring.

While the golf course sale has been at the top of our list, there are many other activities at Gold Mountain that are worthy of note. Many of these are on the calendar for action during the winter and early spring. First and probably the most important is the adoption of a 2009 budget. Our treasurer, Noreen Carter, has made a proposal that has been reviewed by the board. Several changes have been proposed and are being considered. Please review our budget when you get it and then send us your ideas on how we can better spend your money.

In an effort to respond to one of the most critical issues at Gold Mountain, I have proposed that we increase our Fire Safety budget for fuel reduction to \$25,000 and that we focus our efforts on the A-15 corridor and areas that adjoin the golf course. These two areas offer significant potential for fire ignition. Steve Fuqua and Mike Callaghan have been asked to consider this request and to obtain contractor bids for the work. At the October 18th board meeting, Mike Callaghan indicated that he felt we should also address fuel reduction on overgrown undeveloped lots. Let us know how you feel about this critical issue. Expect action at our next meeting.

At our last meeting, a heated discussion developed over real estate "for sale" signs that included diverse ideas on the right and wrong of this issue. (The board has no preconceived feelings in this area and wants to do what the community desires. Let us know how you feel.)

The sign issue prompted discussion about the non-existence of a Gold Mountain Marketing Plan. While the board has not even considered this concept, several recommendations have been suggested for consideration, they include the following:

1. Develop a stand-alone Gold Mountain Real Estate Sales website to include all for sale properties. Ken Gorman has volunteered to do the work. We will encourage all agents and brokers to support this effort.

2. Construct of a sales posting board at the main entrance to the community to list all lots and houses for sale, the listing broker, a map, reference to the above mentioned website and any other pertinent real estate information.
3. Either an identifying sign for the posting board, or several flags, or both to call attention to this location.
4. Copy several gated communities' marketing plans
5. Open security gates between 8:00 A.M. and 5:00 P.M. on summer weekend days so people visiting the area can drive through the Gold Mountain Community and see how much nicer it is than White Hawk and Grizzly Ranch.
6. If the golf course opens next year, negotiate with the operator for construction of either an exterior or interior real estate board at the club house. Smaller and tastefully designed, it would entice golfers to be part of our community.
7. Involve our community in the Graeagle Marketing Alliance. We do not know much about this organization yet, but will find out more in the future. Its purpose is to sell the area's tourism and real estate.
8. Revision of the DRC guidelines to encourage development while maintaining the architectural beauty of our community and adherence to established construction standards.
9. Development of a video that would be displayed at the golf course if and when it opens. For sale maps and property descriptions would also be available at the same location.

Let us know your ideas for marketing Gold Mountain. We have not done anything about this in the past and some feel a marketing plan could only improve real estate sales, golf course play and our image.

In the ongoing, ever changing road rework area, George Sipel suggested in his most recent recommendation that we consider first paving roads that only need a one and one-half inch overlay to include:

Dreammaker between Red Sky and Star Top
Red Sky from A-15 to the northeastern end of Dreammaker
Dancing Bears from northeastern A-15 gate to Quail Run

The current estimate for this work is \$522,794. Overlaying these roads will preserve them and extend their life considerably. If not overlaid, they will deteriorate to the point that they will require more expensive, complete reconstruction. Additionally, George recommended reconstructing the following segments:

Red Sky between Bear Run and Dreammaker
Great Spirit between Clouds Rest and Red Sky.

These reconstruction areas were chosen because the CSD does not expect to do any major pipe work on these segments. Cost is estimated to be \$477,704. Both bid's are based on 60-day old oil prices and could vary considerably by next year.

With respect to the reconstruction areas, there are two viable arguments on whether to do this work in 2009. In favor of doing the work are those that point out that oil based asphalt will

probably increase in price at a faster rate than inflation. The sooner the work is done, the more we get for our money. On the other side of this argument, are those that would like to keep a significant reserve on hand to cover contingencies. Nothing has been decided in this area. Let the board know how you feel.

The restated CC&R's passed by a vote of 297 to 14. Thank you for supporting your board on this critical issue. This vote required an affirmative vote from two-thirds of the members. The board made a concerted effort to get out the vote. Past president Tom Murtha is to be thanked for his effort to get this document completed and affirmed.

A second phase of the review process will begin in the spring. Changes will be proposed to the membership for comment before they are voted upon.

Many people have done a lot to help this community recover from developer deficiencies. None have contributed more than Tom Cooley and Sandy Simmons. Both have anchored the Design Review Committee for most of the last five years. They have done the necessary and often thankless work of overseeing new construction. Both have regretfully resigned. As a representative of both the community and the board, I would like to specifically thank them for their contribution. With their departure, we welcome Robbin Anderson and Toosje Maaskant to fill these critical positions. The board's Vice President, Bob Christensen, will act as a DRC-board liaison. With help from the board, Tom, Sandy and the new committee members, the DRC will soon review its guidelines. If you have any suggestions, let any involved in the review process know your ideas.

Mark Elliott has, at the direction of the board, initiated procedures to lien properties whose owners have delinquent HOA accounts. The process will take most of 2009, will result in penalties and fees for delinquent property owners, and could ultimately result in foreclosure sales of the subject properties. Financial participation of the membership on an equal basis is a charge that the board takes seriously.

While there is much more to discuss about the direction of Gold Mountain, I will sign off with a request for you to attend our board meetings, give us a phone call, send the board an e-mail or leave us a message on our new website. Your input is both important and herein solicited by your board of directors. Our next board meeting is on December 6th when we will vote on many of the issues mentioned above.

Respectfully submitted on behalf of the Gold Mountain Board of Directors,

Jim Lafferty