

SKI AND RACQUET CLUB, LTD.
ANNUAL MEETING
June 9, 2007
Breckenridge, Colorado

I. CALL TO ORDER

The meeting was called to order at 9:10 a.m.

Board Members Present Were:

Earl Haworth, President, BP3	Tony Karahalios, Vice President, CP6
Jan Bowman, Secretary, B103	Tom O'Lear, Director, A204
Shannon Saramaa, Director, B201	

Owners Present Were:

Nikolai and Valentina Alexeev, A103	John Quarles, A105
Bruce Linster, A205	Ed Schwalm, AG1
John McCallister, AG3	William and Judith Batton, AP1
Mark and Cathy Bohdan, AP5	Andrew Roach, B204
William Mager, B206	Disco Durham, BG1
Julie Carro, BG3	Chad Hanley, BG4
Kathryn Bortz, BP3	Steven Fritsch, BP5
Lorraine McGowan, C101	Sally Swartz, C103
Carlin Rogers, C203	David and Edith Finkleman, C204
Ronald Haynes, CG1	Philip Coombs, CG6
Eugene Congdon, CP3	Doug and Betty Lechman, CP4

Representing Basic Property Management were Dan Ulmer, Lanelle Barnett and Ann Evison. Erika Krainz was recording secretary.

II. PROOF OF NOTICE AND VERIFICATION OF QUORUM

Notice of the meeting was sent in accordance with the Bylaws. With twenty-five units represented in person and eleven by proxy a quorum was reached.

III. APPROVE PREVIOUS MEETING MINUTES

William Batton made a motion to dispense with the reading of the May 10, 2006 Annual Meeting minutes and to approve them as presented. John McCallister seconded and the motion carried.

IV. FINANCIAL REPORT

A. *Balance Sheet as of April 30, 2007*

1. Total Checking/Savings - \$39,169.
2. Accounts Receivable – \$7,230 credit balance due to prepaid dues.
3. Fixed Assets – \$880,802, mainly major repairs and improvements.
4. Total Assets - \$924,211.
5. Total Current Liabilities - \$4,917.

6. Total Long Term Liabilities – \$677,453 for loan balance and \$96,734 for balance on mortgage for Manager’s unit.
7. Total Liabilities and Equity - \$924,211.

B. Profit and Loss July 2006 through April 2007

1. Total Income – \$925 over budget.
2. Total Administration Expense – \$1,743 under budget.
3. Total Condominium Management Expense – \$1,616 under budget.
4. Total Utilities – \$2,941 under budget.
5. Total Repair and Maintenance – \$8,318 under budget.
6. Total Other Expense – \$91 over budget.
7. Net Income – \$15,452 over budget.

Capital expenses were \$15,503, including caulking (\$7,600), heat tape (\$1,503), carpet (\$1,149) and carpet for Building C (\$5,251).

C. 2007/2008 Operating Budget

The 2007/2008 Operating Budget was approved by the Board at their last meeting.

An owner asked about the 9.79% increase in dues. Earl Haworth reviewed the accounts that were being increased:

1. Administration – \$5,000 increase.
2. Condo Management Expense – increase of about \$4,000.
3. Utilities – \$1,000 increase.
4. Repair and Maintenance – \$7,000 increase.
5. Other Income/Expense – \$3,000 increase.
6. Capital Repair/Replacement – \$5,000 increase.

An owner was concerned about the Reserve Fund balance and the increasing level of dues. Tony Karahalios noted that there was 18% appreciation in the property sales prices in the past quarter as well as a 40% increase in the tax liability. As a result, the Board had to increase certain expenses such as insurance because the cost to rebuild will be higher and the premium will most likely increase.

The loan is costing about \$100/owner/month.

A motion was made and seconded to approve the 2007/2008 Budget and financials as presented. The motion carried.

V. PRESIDENT’S REPORT

Earl Haworth summarized the situation with the Maggie Placer parcel by Allair Timbers. It was owned by one individual for years but was sold to a developer this winter. The developer plans to develop the property into sixty-seven regular market units and twenty-four affordable housing units. The developer was under the impression he had access to the parcel across Ski and Racquet property. The Board researched the situation and found that Allair Timbers has the only official recorded easement. The Board anticipates there will be some legal fees because the developer has already been to two informal work sessions with the town.

The Board expects the developer will eventually contact them about obtaining an easement for access. Earl explained that Ski and Racquet lost density when the property was annexed by the town. The original density would have allowed for construction of one more building. The Board agreed they would require the developer to work with the town to get the original Ski and Racquet density restored before the Board would discuss any details related to granting of an easement. Tony Karahalios added that the town is projecting an additional 1,500 jobs in the next four years, creating the need for 950 affordable housing units. The town has identified 450 available units, including the twenty-four proposed by the developer. If and when the Board is contacted by the developer, the Board will most likely bring the issue to the owners.

There was general discussion about deed restricted units; there may be a few in Ski and Racquet. Earl explained that placing a deed restriction on a unit would make it a requirement that the occupant works a certain minimum number of hours in the County and would restrict the sales price increase to 5% per year. Since the actual first quarter sales price appreciation in Breckenridge was 18%, such a restriction would not be beneficial for the owners.

Earl said he had not intended to run for a Board seat again but since there are no other candidates, he will run again and serve an interim term until another candidate can be identified, but he will not serve as President. He added that he believes each owner has a responsibility to serve on the Board in some capacity at some point.

Earl said there had been some significant accomplishments in the past seven or eight years. The Board's highest priority for the coming year will be to fix the drainage from the balconies.

The membership acknowledged Earl for his service to the Association.

VI. MANAGER'S REPORT

Dan Ulmer said some tenants had set up snowboard jumps on the roofs this past winter. The Board directed him to have the attorney write a letter instructing owners to keep their renters off the roof. There have also been problems with snowboarders causing damage by sliding on the handrails. The Board will implement corrective measures to keep them snowboarders off the rails.

Most of the frozen pipe problems in the garage ceilings were addressed with new insulation and heat tape.

Dan reminded owners to put their trash in the dumpster, especially at this time of year, due to the prevalence of bears.

The 2006 International Fire Code was recently adopted in Colorado Springs. This Code prohibits any type of grills on decks of buildings that have more than three units. The Red, White and Blue fire authority in Breckenridge is supporting adoption of this initiative. There will be public hearings in Breckenridge and Dan will keep the Board apprised.

The web page will be updated. Ann Evison will provide a management report on a monthly basis that will be posted online. The web page address is www.ski-racquet.org.

Dan reminded owners to provide tenants with a copy of the Rules and Regulations.

Dog walking should be in the woods but owners still need to pick up. Leaving dogs locked on the balconies is prohibited.

Ann Evison said she was continuing to work on the pool boiler. If she cannot get it in good working order, the boiler will have to be replaced.

She plans to powerwash the parking lots this spring. Notice of the schedule will be posted.

The trees will be sprayed against pine beetles by A Cut Above and infested trees will be removed. The Forest Service is projecting 85% of the trees will be lost.

VII. BOARD ELECTION

Ballots were distributed. Board Candidates were Earl Haworth, Jan Bowman, Norm Stein, Shannon Saramaa, Tom O'Lear and Tony Karahalios. Valentina Alexeev nominated herself to run for a seat on the Board. Ballots were tallied and all seven candidates were elected.

VIII. OLD BUSINESS

A. Exterior Lights

Shannon Saramaa said she noticed almost all exterior lights were on during the day. They are supposed to have a photocell sensor so they only come on at night. The sensors probably need to be adjusted or replaced.

B. Third Floor Deck Steps

An owner mentioned that there were no pavers on top of the membrane on her exterior deck steps. This needs to be addressed by Turner Morris. There are also some broken pavers on some decks. The membrane is covered under the warranty but the pavers are not. The pavers are interlocked so owners cannot replace damaged tiles. There are some extra pavers in storage but the work has to be done by Turner Morris. An owner said some of his pavers were broken from the time of initial installation so it should be an original installation issue, not warranty. Any owners with problems were asked to contact the Board so they can create a list.

C. Building A Drainage

Nikolai Alexeev said there was a drainage problem on the steps of A Building. It may be necessary to add a gutter.

IX. NEW BUSINESS

A. Clubhouse Improvements

An owner proposed installation of plastic matting on the locker room floors to prevent slipping.

An owner suggested adding a handrail by the steps into the pool and hot tub. Ann Evison noted it may be difficult to anchor a rail in the concrete for the pool.

An owner pointed out the new floor paint was wearing off in the high traffic areas by the entrance and hot tub. Those areas should be resurfaced or covered with mats.

B. Landscaping

An owner asked about landscaping. Dan Ulmer said there was a \$5,000 budget for landscaping.

C. Parking

There are some current parking violations, i.e. a tenant who is storing a raft. The tenant has been notified but has not done anything. The unit owner should be notified and warned of a potential fine. Ann Evison will address the issue.

D. Recycling

An owner asked about recycling. Jan Bowman explained this was addressed three years ago. The cost would have been about \$20 per owner and it was voted down.

E. Ground Floor Units

An owner thought there should be some additional insulation added for the ground floor units. Ann Evison said this project had been started and the east end of A Building had been wrapped with styrofoam board. She said there was a significant difference in temperature. Ed Schwalm, Julie Carro and Phillip Coombs volunteered to help Ann continue with this project.

F. Decks

Buildings C and A have deteriorating plywood on the decks. B Building was redone before it was painted.

G. Building Ends

An owner asked if there were plans to “dress up” the building ends to improve the appearance. Shannon Saramaa said she calculated an estimate for the total square footage for all siding. There is 7,500 sq.ft. of pressboard per building that is in need of updating. A stucco treatment would be \$18/sq.ft., equating to \$136,000 per building or about \$400,000 for all three buildings. She felt this was an item that should be funded by a loan rather than out of the Reserve Fund. An owner suggested an assessment as this project would increase the value of each unit more than the per owner cost for the work. The assessment would be about \$6,000/unit to update all ends of the buildings, the walkthrough areas and the elevator shafts.

Some units have solid wooden deck railings and an owner asked if there were plans to replace them with something that can be seen through. The Board said there was not currently a budget for this project. It was noted that such a project would be subject to approval by the Planning Commission because it would change the exterior appearance.

Shannon Saramaa will work with Travis Construction to develop a list of options and costs. David Finkleman made a motion for the Board to appoint a committee to research the options, including financing, and to present their findings to the owners. The motion was seconded and carried. John McCallister (Chairman), Bruce Lindstrom, Mark Bohdon, Shannon Saramaa and Nikolai Alexeev volunteered to serve as the committee. They will investigate options and costs for treatment for the end caps, walkthrough and elevator areas. The recommendation can be sent out for an owner vote prior to the next Annual Meeting if necessary.

H. Balcony Drainage

Shannon Saramaa explained that there was negative drainage on some of the balconies. The slope will need to be corrected and a new waterproof surface with a drip edge added to direct the water away from the building. The water is causing deterioration to some of the concrete "T's" underneath the balconies. An epoxy resin will be used to fill the deteriorated areas and they will be sealed as needed. Ann Evison will inspect all units and will provide a list of areas in need of attention to the Board.

I. Enclosing Balconies

An owner asked about enclosing the balconies. Jan Bowman said this idea had been voted down many times in the past. It was noted that the balconies are common area, not the property of each individual owner.

J. Unfinished Work

An owner noted that the carpet by his unit (G3A) was still blue and there was some missing trim.

IX. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, June 7, 2008 at 9:00 a.m.

X. ADJOURNMENT

The owners recognized the entire Board and Ann Evison for their work on the Association's behalf.

Dave Finkleman made a motion to adjourn the meeting at 11:45 a.m. The motion was seconded by John McCallister and carried unanimously.

Approved By: _____ Date: _____
Board Member Signature