

**BRECKENRIDGE SKI & RACQUET CLUB ASSOCIATION
BOARD OF MANAGERS MEETING
JANUARY 11, 2008**

I. CALL THE MEETING TO ORDER

The Breckenridge Ski and Racquet Club Association Board of Managers Meeting was called to order by Tony Karahalios at 7:04 p.m. on Friday, January 11, 2008 in the Breckenridge Ski and Racquet Club Clubhouse.

Board Members Present Were:

Tony Karahalios, President, CP6	Norm Stein, Vice President, A101
Tom O'Lear, Member, A204	Earl Haworth, Member, BP3

Jan Bowman, Secretary, B103

Representing Basic Property Management were Dan Ulmer, Ann Evison and Candi Ramage. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Norm Stein made a motion to accept the minutes of the September 14, 2007 Board of Managers Meeting as presented. Earl Haworth seconded and the motion carried.

III. OWNER COMMENTS

There were no non-Board member owners present at the meeting.

IV. RESIDENT MANAGER'S REPORT

Ann Evison summarized the project report (the full report is posted on the website).

1. The roof heat tape project was not as complicated as originally anticipated. It needs to be in a central location with a switch and must be done.
2. Pool railing and non slip strips were installed.
3. The laundry room in Building A has been completed. She asked the Board to look at the light fixture and to approve installation of similar fixtures in Buildings B and C.
4. She has noticed a number of renters with multiple dogs. She will start fining the unit owners and/or call the rental agencies.
5. All units have assigned parking spots and she will start towing vehicles that are parked in the wrong spots.
6. Snowboarders building ramps will be ticketed. Owners should call Ann if they see this type of activity.
7. There have been some small leaks in Building A.

Jan Bowman said she had a leak in her unit from the downspout of the unit above her. It is probably due to an ice dam.

Dan Ulmer said he had been meeting the second Friday of each month at 10:00 a.m. with Tony Karahalios and Norm Stein to review and sign checks. Any other interested Board members were invited to attend.

David Finkleman paid all outstanding dues in full when he sold his unit. There are two other delinquent units but the amounts outstanding are not for dues but rather for other charges.

The heat is turned on in the chases at the beginning of each winter. Some heaters are difficult to access and Dan Ulmer is having problems finding employees willing to walk on the ledge. Earl Haworth and Ann Evison will work on wiring improvements (such as a thermostat and on/off switch) in the spring to facilitate the process.

V. FINANCIALS AND DELINQUENCIES

A. *Balance Sheet as of 12/31/07*

1. Total Checking Savings - \$35,185.
2. Total Accounts Receivable – (\$1,250) credit for prepaid dues.
3. Total Fixed Assets \$861,754.
4. Total Other Assets - \$11,470.
5. Total Liabilities - \$728,375.
6. Total Liabilities and Equity - \$907,160.

B. *Operating Profit & Loss July through December 2007*

1. Total Income - \$205,401.
2. Total Administration Expenses - \$12,751.
3. Total Condominium Management Expense - \$56,590.
4. Total Utilities - \$34,283. Gas and Electric were \$2,162 under budget.
5. Total Repair and Maintenance - \$25,505. Building Repair and Maintenance was \$4,428 over budget due to the \$9,000 plumbing bill from Ben Franklin Plumbing. Pool/Hot Tub Repair and Maintenance was \$1,228 over budget; the expense was budgeted in the Clubhouse Repair and Maintenance line item.
6. Total Non-Operating Expense - \$30,109.
7. Net Operating Income - \$46,163.

C. *Reserve Profit & Loss July through December 2007*

The Net Reserve Income was (\$13,089).

VI. OLD BUSINESS

A. *Summer Projects*

1. Finish balconies.
2. Added two circuits per building to run the heat tape.
3. Pool railing has been installed. It still moves up and down and needs to be secured with shims.

4. The pool boiler seems to be working well.
5. Insulation in the crawl spaces is done with the exception of two units in C Building.
6. The old lights have been sold and shipped off the property.

B. Property Improvements and Repairs

1. Ann would like to install timers in the laundry room.
2. A solution needs to be identified for the pool floor. It cannot be painted again. Earl Haworth thought it would need to be sandblasted and repainted with new paint. Dan Ulmer said Dillon Valley East sandblasted, acid washed and applied paint with epoxy and grit. It is a very long term solution, needs no maintenance and has a no slip surface. This work would have to be done by an outside contractor.

VII. NEW BUSINESS

A. Association Dues

A question was raised at the September 2007 Board Meeting regarding the calculation of dues. A committee was formed to review this information. There are forty-seven two bedroom units paying dues. There are seventy-one voting member units out of seventy-two total units. One unit is owned by the Association. The allocation is not clearly specified in the Declarations. Tony Karahalios reviewed all Association documentation regarding dues and it appears the Board has the authority to determine the allocation. Tony believes the Board met the requirements of the Declarations and Bylaws for approving the Annual Budget and the assessments.

A petition was presented to the Board President (not to the Board Secretary) by an owner with signatures from one bedroom unit owners. The petition includes incomplete statements, i.e. Section 6.2. It does not state the power of the Board and also includes incorrect figures, i.e. overstates the number of dues paying units.

Tony summarized the actions taken and further recommended action. He did not think the petition merited a Special Board Meeting due to the timeframe and cost involved. The information in the petition should be presented at the Annual Meeting.

If Exhibit B of the Condominium Declaration is used only, there would be a \$6,000 shortfall in the Operating Budget. The dues are currently allocated based on square footage with 40% allocated equally among the units for cable television, snowplowing and Clubhouse access and the remaining 60% based on square footage. Items such as roof repair are proportionally distributed. He questioned if 40% was the correct number, or if it should be 30%/70% or 50%/50%. Dan Ulmer thought they should follow what has been done for a long period of time.

There is nothing in the Declarations addressing reallocation including the Association owned unit. Tony suggested a full review of the condominium documents. Dan Ulmer said Senate Bill 100 allowed Associations to change some condominium documents with a 68% majority vote of the owners.

Tony said the Board was responsible for implementing what was approved at the Annual Meeting. He said the dues calculation was not a management issue. Jan Bowman suggested creating a form to distribute to the owners. She proposed adding a fifth category; the categories would be two bedrooms, two bedrooms with decks, two bedrooms with dens, two bedrooms with dens and decks and one bedrooms. Decks are classified as Class B common area.

Tony said there were more problems in the Declarations than in the Bylaws. He anticipated it could be a two year project to review the condominium documents. There will need to be a dedicated committee consisting of "wordsmiths" who know how to write well. Dan Ulmer will get a bid from the attorney. Tom O'Lear suggested getting a copy of the Declarations from a new Association to use as a model to reduce the amount of legal work needed. Tony asked the Board members to review the draft report and to make suggestions for revisions to improve the flow.

In summary, the recommendations were to:

1. Have the Board review the current method of dues calculation and make a recommendation to the owners at the Annual Meeting regarding keeping the current method or developing a new method.
2. Have the owners appoint a Committee at the Annual Meeting to review the Declarations and Bylaws to determine if any changes are needed.

Dan said another Association he managed kept a book of all motions made and carried over the course of the years, similar to an Operations Manual. Ann Evison was asked to review the old records to find anything that explains the dues structure.

B. Comcast Contract

Comcast originally presented a five year contract. Tony Karahalios told the Comcast representative he could not sign any contract with such a long term on behalf of the Association. After conferring with Norm Stein, Earl Haworth and Shannon Saramaa, he was given approval to sign a one year contract. He has notified the Comcast representative that the contract is ready but has not had any response to several messages. The contract expired December 31, 2007. Dan Ulmer will deliver the contract to the Comcast office. Tony would like the Comcast representative to give a presentation at the Annual Meeting. The main hurdle to high speed internet access is the five year contract term. The television cabling was redone recently and is set up for HD signal.

The Board agreed to ask the Comcast representative to attend the next two meetings (Board and Annual). She should provide a list of options for service to be reviewed with the owners at the Annual Meeting.

C. Fireplace Chimney

Ann Evison reviewed the situation related to installation of a gas fireplace in a unit. The owner has called the Town to get a copy of the installation report to make sure the pipe is safe inside the chase. There should be more information available next week.

The records should be reviewed for information about the fireplaces, including approval dates and schematics. Ann will provide a copy of the schematics to Service Monkey. The contractor is willing to install the gas fireplace but he does not think it is safe.

D. Adjacent Property Update

The current owner will not be provided access across Ski and Racquet property and cannot demand access since he does not have it currently. There have not been any new developments.

E. Loan Repayment

Tom O'Lear said there had been discussion at other meetings regarding the level of Special Assessment that would be required to pay off the existing loan. Jan Bowman pointed out the dues would not change since the Reserve Fund balance needs to be increased. Earl Haworth estimated paying off the loan would require a Special Assessment of about \$10,000 per unit. The current loan is a ten year note with a five year refinance. The Association is currently paying off the loan at \$77,500 per year.

Two drafts of the budget will be prepared, one with payments continuing and one with a Special Assessment to pay the balance in full.

VIII. SET NEXT MEETING DATE

The next Board Meeting was set for April 18, 2008.

IX. ADJOURNMENT

Jan Bowman made a motion to adjourn at 9:15 p.m. Earl Haworth seconded and the motion carried.

Approved By: _____

Board Member Approval

Date: _____