

SKI AND RACQUET CLUB, LTD.
ANNUAL MEETING
June 7, 2008
Breckenridge, Colorado

I. CALL TO ORDER

The meeting was called to order at 9:05 a.m.

Board Members Present Were:

Tony Karahalios, President, CP6	Norm Stein, Vice President/Treasurer, A101
Jan Bowman, Secretary, B103	Tom O'Lear, Director, A204
Shannon Saramaa, Director, B201	Earl Haworth, Member at Large, BP3

Owners Present Were:

Bruce and Debbie Linster, A205	Roy Schwalm, AG1
John McCallister, AG3	William and Judith Batton, AP1
Robert Comer, AP2	Mark and Cathy Bohdan, AP5
Stephen and Christine Chittick, B105	Timothy Luckett, B203
William Mager, B206	Disco Durham, BG1
Bill and Margaret Wood, BG2	Julie Taylor, BG3
David Rathbun, BP1	Lorraine McGowan, C101
Carlin and Amy Rogers, C203	Jim and Jenny Dreher, C204
Ronald Haynes, CG1	Philip Coombs, CG6
Eugene Congdon, CP3	

Donna Ray Anderson of Comcast was a guest at the meeting.

Representing Basic Property Management were Dan Ulmer, Lanelle Barnett, Candy Ramage 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 ten by proxy a quorum was reached.

III. APPROVE PREVIOUS MEETING MINUTES

Bill Batton made a motion to approve the June 9, 2007 Annual Meeting minutes as presented. Gene Congdon seconded and the motion carried with one owner abstaining.

IV. COMCAST CONTRACT RENEWAL

Tony Karahalios explained that the Board has the authority to approve one year contracts but any longer contract term must be approved by the membership. For many years, Ski and Racquet has been operating under single year contracts with Comcast; Comcast now requires a minimum five year term.

Donna Ray Anderson stated that Ski and Racquet was receiving a volume discount rate of about \$25/unit/month (about 47% of the regular rate) for cable television service. The regular

base cable rate is currently \$52.49. Comcast will no longer honor single year contracts. She noted that Comcast rewired all buildings a few years ago, which adds real estate value to the property and will allow the residents to receive upgraded services such as telephone, video on demand, digital and high definition television.

She is proposing a new contract with the same cable rate (for the current year) and an option for high speed internet access for \$16.95/unit/month. All units would need to participate to receive this internet rate. Individual owners can also choose digital package upgrades. Internet installation would be \$39.95 per unit, a one time billing. Existing Comcast customers will see a rate reduction but no installation fee.

Robert Comer asked if other options had been explored. Dan Ulmer said other options had been explored, including Single Digit (for internet access only) and satellite dish service. Single Digit would cost a bit more than Comcast. For satellite service, there would need to be one dish per building at a cost of \$15,000 – 20,000. Donna Ray Anderson noted there would need to be separate wiring for any competitor.

An owner commented that she would not want to pay for internet because she would not use it. Tony Karahalios explained it would be an Association decision based on the wishes of the majority.

An owner asked about town-wide wireless in Breckenridge. Donna Ray Anderson said this type of access did not work well with multiple users due to bandwidth limitations.

An owner asked about the February 2009 analog/digital transition. Donna Ray Anderson said Summit County viewers would not be affected as there is no signal available for televisions with antennae only. All Comcast stations will be digital by the end of the year.

Several owners complained about service outages. Donna Ray Anderson said “tiling” often occurs in the spring and summer when a line is cut. She will provide literature with service contact numbers for each unit.

Zoe Luckett said she had been told by a service technician that there are problems with the exterior wiring on her building. Donna Ray Anderson said there would be a complete service check on all building wiring before any modems are installed.

Bill Batton made a motion to authorize the Board to sign a five year contract with Comcast for cable television service. Mark Bohdan seconded and the motion carried unanimously.

Bruce Linster made a motion to approve the five year internet contract. Tom O’Lear seconded. In discussion, Robert Comer said he felt the owners should make best efforts to take care of the units and property but he did not support incurring other expenses for personal needs. Tony Karahalios said the internet option would add another 4% to the current 3% dues increase. Debbie Linster thought the internet access was a good value and would provide an enhancement to the property. Norm Stein explained that the Town was not going to an entirely wireless format; there may be some localized hot spots in certain areas of town with one hour

of free access. A vote was taken on the motion. With fourteen in favor, seventeen opposed and three abstaining the motion did not carry.

V. PRESIDENT'S REPORT

Tony Karahalios said he had sent a letter to all owners detailing the main issues to be covered at this Annual Meeting.

Margie Wood and the other volunteers were acknowledged for their painting work in the Clubhouse.

VI. MANAGEMENT REPORT

Ann Evison reviewed completed and pending projects:

1. Decks – There are some problems with the decks, mainly on the C Building. Shannon Saramaa explained that water on the decks does not flow away from the structure. The solution is to add a special sloped concrete topping that directs water away from the building and creates a moisture barrier. The cost is \$2,000 – 2,500 per deck. There are seven decks on the list for this year. The priority was determined based on the condition of the deck underneath. Shannon will reprioritize the list for this summer. The list of units that will be repaired is on the website and owners were encouraged to make sure their unit is on the list if needed. Several owners asked to have their units put on the list (BG3, AP2 and B206). The deck membrane is exposed on B206. Shannon said the crumbling concrete under the decks would also be patched. The owner of B105 said there was a problem with his fireplace flue. Earl Haworth said he was aware of this issue. He will cut the pipe on the roof and add flexible vents to the flex pipe once the weather permits.
2. Heat Tape – The heat tape work has been completed. Some of the conduit on the roof needs to be redone.
3. Sandblast Pool Floor – The bid for this work was \$10,000 and the project has been put on hold.
4. Laundry Room – The light fixtures and timers have been redone.
5. Spa - Changed the sand in the sand filters and replaced a motor.
6. Heat – The heat tape has been turned off in all buildings.
7. Landscaping - Planted flowers and will put down free mulch at entrance area and add a garden.
8. Fence – Ann would like the damaged fence to be removed to allow for the snow to shed off the roof. The Board will address this issue.
9. Asphalt - Need to patch the potholes in the driveway.

Tony Karahalios mentioned that some owners had taken on the project of adding insulation under their units. Phil Coombs thanked Ann Evison for her help in insulating the underside of his building.

VII. FINANCIAL REPORT

A. Balance Sheet as of April 30, 2007

1. Total Checking/Savings - \$40,120 including \$24,829 in the Reserve account.
2. Accounts Receivable – (\$7,420) credit balance due to prepaid dues.

3. Fixed Assets – \$861,754.
4. Other Assets - \$10,374.
5. Total Current Liabilities - \$5,892.
6. Total Long Term Liabilities – \$703,707 including \$615,273 for the loan balance and \$88,434 for the mortgage balance for the Manager’s unit.
7. Total Liabilities and Equity - \$908,547

B. Profit and Loss July 2006 through April 2007

1. Total Income – \$1,652 over budget.
2. Total Administration Expense – \$6,253 under budget.
3. Total Condominium Management Expense – \$509 over budget.
4. Total Utilities – \$1,745 under budget.
5. Total Repair and Maintenance – \$11,436 under budget.
6. Total Other Expense – \$617 over budget.
7. Net Income – \$19,962 over budget.

Capital Expenses through April 2007 included \$2,786 for heat tape and \$13,089 for the balcony project.

C. Ratification of 2008/2009 Budget

Candy Ramage reviewed the most significant changes to the proposed budget as compared to past actual results:

1. Legal Fees – increased to \$10,000 for Maggie Placer issue.
2. Property Taxes – 30% increase based on past actuals.
3. Cable – 6.5% increase per Comcast.
4. Gas and Electric – increased per actuals.
5. Elevator Repair and Maintenance – 9% increase based on past history.

There were two options for the budget presented to the owners. Option A included \$14,848 for internet service and \$40,000 for repairing siding and painting Building C. Option B excluded these two line items.

There was general discussion about painting. Building C was last done five years ago with full color stain. The next buildings were painted with acrylic latex, which has held up better. Earl Haworth said the same contractor would not be used for future painting as he did not do good prep work. The Board solicited three bids. Margie Wood thought the painting of Building C should be postponed until other options are researched, or at least it should be painted a different color and several other owners agreed. Jim Dreher agreed but noted re-siding would be a two to three year decision and the paint needs to be addressed immediately. Debbie Linster said the paint was peeling on A Building as well. She would support re-siding instead of repainting. Tony Karahalios said a Committee, headed by John McCallister, had been formed to address this very issue. Shannon Saramaa estimated it would cost \$20/sq.ft. for stucco siding (about \$400,000 total for the end caps only). Shannon said the Committee could look into residing the entire building if that is the wish of the ownership, but she warned it would be a significant Special Assessment. Tony Karahalios said he would see total siding replacement as a three year process.

Bill Wood requested a list with the estimated costs for various siding options. He would like to know how the upgrades affected the values of the other Breckenridge properties that had undertaken these projects.

Earl Haworth pointed out that if permanent siding is used, the color scheme cannot be changed in the future. Mark Bohdan suggested contracting with an architect to provide concepts.

In a non-binding straw poll, the majority of the owners present indicated they would like to work toward a permanent siding solution.

Debbie Linster made a motion to approve the 2007/2008 Budget Option B as presented. Margie Wood seconded and the motion carried unanimously.

D. Painting Building C

The painting project will add about \$50/unit/month to the dues. Robert Comer asked if it would be an option to paint only the south side. Norm Stein said a minimum of three sides of the building needed to be painted.

An owner asked when the Clubhouse would be repainted. Tom O'Lear explained that the owners decided three years ago to leave it as is in light of the other higher priority expenses. This decision can be revisited.

Debbie Linster asked Dan Ulmer if the wood on Building C had to be replaced. Dan said some areas were falling apart so some wood replacement was included in the \$40,000 estimate.

Bill Batton made a motion to approve painting of Building C this year. Jim Dreher seconded. In discussion, Tom O'Lear suggested putting a few thousand dollars aside for an architect and approvals. He suggested using any surplus from the \$40,000 siding/painting project to hire an architect. Bill Batton amended his motion to include this suggestion. Bruce Linster commented that owners had been told C Building would be painted so it was only fair to do it. In a vote on the motion, twenty nine were in favor and one opposed and the motion carried.

E. Allocation of Dues

Tony Karahalios said he had received a petition signed by the one bedroom unit owners requesting allocation of dues based solely on square footage. This Board has been allocating dues on a 60/40 ratio (60% on square footage and 40% on equal cost). There are 71 voting units among which all expenses should be allocated. Tony determined the differential between a two bedroom unit and a one bedroom unit. Based on square footage only, the dues increase for two bedrooms would be \$12/month and the one bedroom dues would decrease by \$70/month.

Robert Comer made a motion to keep the assessment as is. Bill Batton seconded. In discussion, Jan Bowman said her proxy requested that the costs be allocated solely on a

square footage basis since the one bedrooms do not use the elevators and some do not have washer/dryers.

Julie Taylor said she never received the letter explaining the 60/40 split either by regular mail or email. Lanelle Barnett explained that the information was included in the Annual Meeting notification packet.

The motion carried with two opposed and one abstaining.

VIII. OLD BUSINESS

A. Maggie Placer Easement

Tony Karahalios said a proposal had been submitted to the town to build on the adjacent Maggie Placer property. The initial proposal included twenty-one condominium units and four houses. The Association was not notified of this proposal. After several iterations, the project has been reduced to eighteen total units, including three two-story modular affordable housing units, which would be visible from Ski and Racquet. The access to the property is owned by this Association. The developer's proposal indicates his access will be through Association property, although the developer had not contacted the Board. The Association's attorney has sent the developer three letters regarding the access situation; the developer finally called Tony yesterday and requested a meeting to discuss the access.

The Association is not required to grant access, but the Town really needs the employee housing units, so they are in support of the proposal.

John McCallister pointed out that the developer had not shown any respect to this Association and he would be in favor of making tough conditions. There are legally two other options for access so this Association cannot be forced to grant access across Association property. Tony Karahalios said the Association should act in good faith and provide a reasonable proposal.

Tom O'Lear said the developer attended the April Board Meeting. When he filed the project proposal with the Town, he indicated he had a contract with the bed and breakfast for access.

The Board will be meeting at 1:00 p.m. on Monday, June 9, 2008 at the Basic Property Management office to discuss this issue. Interested owners were invited to attend.

IX. NEW BUSINESS

A. Owner Communication

An owner said he would like to see improved email communication, both to the owners and between owners and Board members.

B. Decks

Bill Batton said the paint on his deck was peeling. He asked if all decks would eventually be resurfaced. Shannon Saramaa said they should probably all be redone at some point in the future. Bill suggested allowing owners to pay for the work if their unit is not on the list with an agreement for reimbursement from the Association at some point in the future. This proposal will be discussed at the next Board Meeting.

C. Pets and Deck Upkeep

Robert Comer asked if the “owners only” pet rule was being enforced and if there was a requirement for upkeep of the large second floor decks.

Tony Karahalios said any owner who notices violations on the decks should report it to the Board so the offending owner can be fined. The specifics regarding furniture, storage and cleanliness are outlined in the Bylaws.

The “owners only” pet rule is being enforced. Ann Evison said she knows which pets belong to owners. Owners should contact Ann regarding violations.

X. BOARD ELECTION

Valentina Alexeev has resigned from the Board. Margie Wood volunteered to run to fill the position. There were no other nominations from the floor. John McCallister made a motion to elect Margie Wood and the rest of the current Board to serve for the next year. Mark Bohdan seconded and the motion carried.

XI. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, June 6, 2009 at 9:00 a.m.

XII. ADJOURNMENT

Robert Comer made a motion on behalf of the owners to express their appreciation for the Board’s efforts over the year. Bill Batton seconded and the motion carried.

Gene Congdon made a motion to adjourn the meeting at 12:25 p.m. Mark Bohdan seconded and the motion carried unanimously.

Approved By: _____ Date: _____
Board Member Signature