

**SKI AND RACQUET CLUB, LTD.
BOARD OF DIRECTORS MEETING
September 12, 2008
Breckenridge, Colorado**

I. CALL TO ORDER

The meeting was called to order at 7:05 p.m.

Board Members Present Were:

Tony Karahalios, President, CP6	Norm Stein, Vice President/Treasurer, A101
Tom O'Lear, Director, A204	Shannon Saramaa, Director, B201
Earl Haworth, Director, BP3	Margie Wood, Director, BG2

Owners Present Were:

John McCallister, G3A	Tim and Zoey Lockett, B203
Ronnie Barr, B202	Nikolai and Valentina Alexeev, A103
Bill Wood, B92	Bruce and Debbie Linster, A205

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

II. APPROVE PREVIOUS MEETING MINUTES

Tom O'Lear made a motion to approve the June 6, 2008 Board Meeting minutes as presented. Earl Haworth seconded and the motion carried.

In the June 7, 2008 Board Meeting minutes, the date of the next Board Meeting should be amended to September 12, 2008. Norm Stein made a motion to approve the June 7, 2008 Board Meeting minutes as amended. Margie Wood seconded and the motion carried.

III. COMMENTS FROM THE FLOOR

There were no comments from the floor.

IV. FINE HEARINGS

There were no owners present regarding fines.

V. MANAGER'S REPORT

Ann Evison reviewed her project list:

1. Painting Building C has been completed.
2. Painting around property including the elevators and hand railings has been completed.
3. Added wood chips out front.
4. Put flower planters back.
5. Replaced all cove base around C Building.
6. Removed fence and disposed of it.
7. Building C will be powerwashed once the weather permits.
8. Repaired soffit in Clubhouse.

Dan Ulmer said the Board Treasurer and President meet with him and the Accountant monthly to review and approve all bills, to sign checks and to review all delinquencies. The Association is in good shape financially right now and many projects have been completed.

VI. TREASURER'S REPORT

A. Balance Sheet as of August 31, 2008

1. Total Checking/Savings - \$25,959, \$24,800 of which is in Reserves.
2. A/R - \$5,269 credit balance for prepaid dues.
3. Total Fixed Assets - \$844,363.
4. Total Liabilities - \$684,570.
5. Total Equity - \$191,166.
6. Total Liabilities and Equity - \$875,736

B. Operating P&L as of August 31, 2008

1. Total Income - \$1,192 over budget due to fines, interest and finance charges.
2. Total Administration - \$720 under budget.
3. Total Condominium Management Expense - \$351 over budget. The \$950 credit from Comcast has not yet been received.
4. Total Utilities - \$926 over budget.
5. Total Repair and Maintenance - \$1,839 under budget mainly due to lower Building Repair and Maintenance expenses.
6. Net Ordinary Income - \$2,473 over budget.

C. Reserve P&L as of August 31, 2008

1. Total Capital Repair/Replacement - \$12,783 under budget due to no expenses for Clubhouse Roof, Heat Tape or Balcony and lower painting expense.
2. Total Non-Operating Expenses - \$114 over budget.
3. Net Income - \$15,142 ahead of budget.

Norm Stein made a motion to approve the financial report. Earl Haworth seconded and the motion carried.

VII. OLD BUSINESS

A. Maggie Placer

Mr. Springer was invited to attend this meeting but did not. He now recognizes that this Association owns the access to his property and is interested in negotiating. The Association has hired an appraiser but has not yet received the report. Once the Board has received the appraisal, they will offer an up front payment figure to Mr. Springer. If an agreement is reached, the Association's attorney will move forward with drafting a formal written agreement. Mr. Springer will be responsible for paying attorney fees and any other associated costs for the easement. His current plans call for a two level building for employee housing and four single family homes. The dollar amount for the easement will be a Board decision but the use of any funds received from Mr. Springer will be put before the owners.

B. Allaire Timbers

When Allaire Timbers was granted their access easement by the Ski and Racquet Association, they signed agreement to pay for annual road maintenance and plowing. It does not appear that they have ever been charged or paid for either. In a search of the County records, it was discovered that Allaire Timbers filed an amendment to the original easement in May 2008 indicating the snow removal cost would be shared, but this amendment was not signed by any Ski and Racquet Association representative.

Earl Haworth made a motion to have the Association attorney review the original agreement and the amendment, and to draft a letter to Allaire Timbers regarding the amendment and the amount owed for plowing and maintenance. Tom O'Lear seconded. In discussion, Shannon Saramaa said the Board should calculate a rough figure for the amount owed going back to the original agreement date four years ago. It should include plowing, asphalt patching and any other repairs. Debbie Linster felt the Association should try to maintain a cordial relationship with the owners of Allaire Timbers. It should also be verified that the snowplow contractor has not been invoicing them separately. The motion carried.

The Association will be responsible for billing Allaire Timbers in the future and the revenue should be included in future budgets.

C. Association Files

John McCallister volunteered to sort and organize the old Association files.

D. Balconies

Shannon Saramaa said seven balconies were scheduled for this year. Four have been completed thus far (P2C, P1C, 101C, PC3) and there are three remaining (G6B, G2C and 101B). Two that were repaired late last year were redone this year under warranty because there was a problem with improperly cured concrete. The cost is about \$2,500 per balcony.

E. Painting

Building C was painted and came in under budget. Building B was painted for a very reasonable cost of \$2,500 as well as Building A.

Margie Wood suggested that the excess funds be used to hire an architect to look into residing the building.

Tom O'Lear commented that the painting was not an aesthetic item, but rather was necessary maintenance to protect and extend the life of the wood.

F. Siding Committee

John McCallister provided three bids and proposals for siding. The other Committee members were Margie and Bill Wood, Bruce and Debbie Linster and Shannon Saramaa. The costs for the conceptual renderings range from \$2,000 – 3,500. The renderings will illustrate the different design concepts for anything that is not concrete on the buildings.

Samples of cementitious siding were provided. The siding does not meet “green standards” but the property is located in Zone 30.

The proposals include architect representation at Town meetings throughout the approval process. Construction would be started as early as possible in 2010. The Board will need to get zoning approval and membership approval, and then do a cost comparison with painting.

The intent is to move forward with one of the rendering options. Shannon Saramaa recommended selection of the contractor who offered two renderings. It will take one to two months for the renderings to be completed. Shannon recommended adding a completion date to any agreement that is signed. The architect was directed to work within a budget of \$750,000 to \$1 million. Shannon will develop a cost analysis that includes the present worth of the building, an estimate of future painting costs and an estimated twenty-year useful life of the siding. Margie Wood made a motion to move forward with selection of an architect to provide a rendering, and to include a completion clause in the agreement, at a cost not to exceed \$3,500. Shannon Saramaa seconded. Norm Stein proposed a completion date prior to Christmas so the Board can review it at the next Board Meeting on January 9, 2009. The motion carried.

G. Pine Beetle

Dan Ulmer said it is projected that 100% of the lodgepole pines will be lost. Beetles are now attacking lodgepoles as small as 2” in diameter and are also infesting spruce trees. The only things that will kill the beetles are two weeks of -40 F weather or fire. There is no funding available for spraying but there is some funding for tree cutting for fire mitigation. Frisco is trying to do some replanting and is providing some matching funds. This Association will need to discuss cutting dead trees and replanting in the future. Trees will be inspected again in the spring and cutting will be included in the next budget cycle.

H. Clubhouse Hours and Use

Dan Ulmer said some owners would like to have access to the Clubhouse with unrestricted hours. He said he was concerned about liability and potential damage. He recommended keeping the established use hours. Norm Stein noted there were quiet hours specified in the Declarations and Bylaws between 9:00 p.m. and 9:00 a.m. Shannon Saramaa made a motion to amend the hours of daily operation to 9:00 a.m. to 10:00 p.m. and to permit only residents in good standing (i.e. current with dues payments and no unpaid fines) use of the facility. Margie Wood seconded. In discussion Ann Evison said she anticipated problems with the later closing time. Tom O’Lear pointed out that there was no enforcement for prohibiting members who are not in good standing from using the Clubhouse. Dan Ulmer said the owners could be fined. The motion carried.

Margie Wood volunteered to draft Rules and Regulations for Clubhouse use. She felt the Association should be able to make some money through rental of the facility; this revenue could be used to pay for new carpeting or other upgrades. Margie was asked to provide a proposal. Dan Ulmer noted that there could be potential liability with renting the facility.

Margie Wood spent \$213 of the \$220 authorized by the Board on paint for the Clubhouse. She and Shannon Saramaa have also spent about \$400 on furniture and she requested reimbursement. Tom O’Lear made a motion to approve reimbursement of up to \$500 for furniture for the Clubhouse including items that have already been purchased. Norm Stein seconded and the motion carried.

I. Dogs

Tony Karahalios said he was concerned about the potential liability associated with dogs being off leash on the property. He suggested requiring dog owners to provide proof of liability insurance. Ann Evison said she had liability insurance on her Renter’s Policy through State Farm. It includes coverage up to \$300,000 for only \$15/year, as long as the dog does not have any history of biting. Ann said she had not fined any owners for having their dogs off leash and she felt uncomfortable enforcing this rule. Bill Woods suggested asking the Association attorney about the extent of the Association’s responsibility and liability for this issue. The insurance agent should also be asked about the extent of coverage.

Norm Stein made a motion to authorize the Board to contact the attorney regarding the extent of the Association’s responsibility and liability, and to have Dan Ulmer contact the insurance agent regarding the extent of coverage for the Association. Tom O’Lear seconded and the motion carried.

VIII. NEW BUSINESS

A. Blog

There is an anonymous blogger who is spreading misinformation about the Board and operation of the Association. The Board does not know the identity of the blogger. Tom O’Lear said there were some inaccuracies in the blog but there were also accurate statements. He felt the main issue was communication and he suggested instituting a monthly management report that clarifies actions. The report could be posted on the website. An owner suggested writing a response to the points raised by the blogger. Margie Woods said she did respond. Zoey Lockett suggested better communication of the Board Meeting schedule. Dan Ulmer proposed adding a bulletin board by the dumpster for posting notices. A hard copy of the minutes and budget can be provided in the Clubhouse in a binder.

B. Dues

Many owners are concerned about high dues. Tony Karahalios noted the dues were kept low for many years and owners are now paying for it. Bill Woods suggested developing the tennis courts into additional units to generate revenue to pay off the loan. Earl Haworth said this had been explored in the past. The Association lost all the remaining density when the complex was incorporated from the County into the Town limits, although it is not known how this occurred. Originally there was enough density for one more building. Sometime in the future when the Town is built out, the property will become very valuable and at that point it may be possible to reclaim the lost

density. Bill and Margie Wood volunteered to pursue this issue with the Town representatives.

C. Rules Enforcement

Some owners have replaced windows with trim colors other than beige or brown. Several units are in violation, including A103, CG3 and BG4. Further discussion on this issue was deferred until the next meeting but management should notify the non-compliant owners that this issue will be discussed at the next Board Meeting in January. The Board and management are responsible for enforcement of this policy.

D. Property Upkeep

An owner requested that the Management Contract be published for all owners. Dan Ulmer said a copy was provided to the Board but it is not public information. The Board is responsible for ensuring the contract is followed on behalf of the owners. Management's responsibilities as outlined in the contract should be communicated to the owners.

E. Concrete Repairs

Shannon Saramaa said the concrete contractor quoted \$400 to grind the damaged concrete outside the Clubhouse and to replace it with the same material as the balconies. The Board agreed to table this project until next year so the contractor can focus on finishing the balconies.

IX. SET NEXT MEETING DATE

The next Board Meeting will be January 9, 2009 at 7:00 p.m. in the Clubhouse.

X. ADJOURNMENT

Tom O'Lear made a motion to adjourn at 10:36 p.m. Shannon Saramaa seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature