

**SKI AND RACQUET CLUB, LTD.
BOARD OF DIRECTORS MEETING
September 18, 2009
Breckenridge, Colorado**

I. CALL TO ORDER

The meeting was called to order by John McCallister at 7:03 p.m.

Board Members Present Were:

John McCallister, President	Gene Congdon, Vice President
Debbie Linster, Treasurer	Margie Wood, Secretary
Tim Lockett, Member	Ed Klibaner, Member (via teleconference)

Owners Present Were:

Bruce Linster, A205	Bill & Imi Mager, B206
Mark & Cathy Bohdan, AP5	John & Stacy Quarles, A105
Ed & Annetta Schaum, AG1	Amy Lockett, B203
Ken & Marilyn Goff, C201	Bill Wood, BG2
Amy Rogers, C203	Paul Davis, A201
Nikolai & Valentina Alexeev, A103	

Representing Basic Property Management were Dan Ulmer, Candy Ramage, Gary Nicholds and Erin Stoll. Erika Krainz of Summit Management Resources was recording secretary. Attorney Steven Letofsky was a guest at the meeting.

II. OWNER FORUM

Paul Davis submitted some public information regarding the foreclosure of Unit P3B. The foreclosure was withdrawn as the owner was able to refinance. Paul was concerned about disclosure of the \$10,000 Special Assessment to the new owner and title company so that if the unit sells shortly after October 1st, the Association will receive payment.

III. REPORT OF OFFICERS

A. Treasurer's Report

Debbie Linster reminded Board members and management that some owner financial and contract bidding information should be kept confidential.

Candy Ramage emailed the 7/31/09 financial reports to all Board members. Gene Congdon questioned why the P&L reflects the Special Assessment income even though it has not yet been received. Candy explained the report was on an accrual basis so the income is booked when it is invoiced, not when it is paid. The actual payments received are reflected on the Balance Sheet.

The Association was \$3,092 ahead of budget in Operating and close to budget in the Reserve account. Gas and Electric were both under budget due to a decrease in usage and rate.

The Improvements Loan balance was approximately \$522,399 and the Mortgage balance was \$75,231. The mortgage holder has been notified of the plan to pay them off in October. There is no prepayment penalty.

Debbie said there were some small expenditures that were previously approved by the Board and she did not feel each bill should have to be approved again if they are within the original amount approved. There are also expenditures that have not been voted on by the Board, but they are small and pertain to safety issues, such as a carbon monoxide detector for the Clubhouse. There is not currently a policy in place for such items. She proposed that she or John McCallister be authorized to sign off on expenses of \$1,000 or less. The board voted to allow the president or treasurer the authority to approve expenses or \$1,000 or less.”

About \$3,500 has been paid for balcony repair materials this year to date. One of them should be completed tomorrow and three more next week. The contractor is only doing four this year due to a delay in obtaining the product. Debbie cautioned that the Association should not spend more than \$10,000 on the project because of a cash flow issue. Margie Wood pointed out that the estimate was \$2,800 each so it would go over \$10,000. John McCallister thought they should get input from Shannon Saramaa. Tim Lockett volunteered to do the inspection as he knows what to look for.

Gene Congdon made a motion to approve the Financial Report as presented. Margie Wood seconded and the motion carried.

B. Basic Property Management Report

Dan Ulmer said he knew of at least one owner who would not be able to pay the assessment. Owners have paid about \$278,000 leaving \$378,000 outstanding. An owner asked what would happen if an owner would not pay. John McCallister responded that a lien would be placed on the unit. The Board also instituted the maximum fine allowed by law for late payments. The plan is to pay off the big loan first. Owners will be charged a 10% penalty on any outstanding balance after 10/5/09. This is in the collection policy that is posted on the Association website and was also mailed to all owners.

Amy Rogers asked what would happen to the dues for owners who do not pay the assessment. Debbie Linster said the dues would not change; they have already been reduced for everyone.

Erin Stoll presented the Manager’s Report:

1. The trash company damaged the dumpster shed but had it fixed.

2. There was an electrical issue in a unit in Building C. The repair is in progress.
3. Spread mulch, killed weeds and removed some aspen trees. Greenscapes suggested whiskey barrels for flowers next spring. There is no irrigation system so everything has to be watered with hoses by hand. More rock will be added and weeds sprayed again in the spring.
4. Painted railings by Clubhouse stairs.
5. Patched asphalt on drive between Buildings A and B. Gary Nicholds was directed to fill the remaining holes by the front of the property. Gary was authorized to buy a bucket of sealcoat to put over the patches.
6. Painted boards on staircases of units.
7. Installed smoke and carbon monoxide detectors and safety signs for the sauna in the Clubhouse.
8. Unit checks are being done in vacant units. Margie Wood will ask owners if they want their units checked.
9. Erin created an inventory list for the Board with pictures.
10. There have been some issues with rules enforcement.
11. A Cut Above will be contacted about dumping some free mulch.
12. Bids for the elevators were obtained. Some contractors were not interested and some did not have technicians in this area. The additional bids were included in the meeting packet.
13. Operation of the access panel heaters is a continuing issue. Basic's insurance does not cover employees going out on the ledge to plug and unplug them. Last year the Board discussed adding some switches to turn them on and off and Gary Nicholds recommended proceeding with this work to avoid liability issues. Gary was asked to get bids for Board review.
14. There is another gas leak due to deteriorating pipe. It is outside and is not going into the units so the gas company feels it is not a safety issue. Stacy Quarles said she smelled gas on her balcony.
15. The Board needs to sign and mail the insurance documents by Monday.

Valentina Alexeev complained about the lack of cleanliness in the parking lot. Erin Stoll said she sweeps and picks up trash regularly but she will take a look at that area.

IV. REPORT OF COMMITTEES

A. Density Issue Report

Paul Davis provided a report on the density issue. He has consulted with Steve Letofsky, an attorney who has been involved in similar cases. Paul would like to pursue reestablishment of the density that was taken away from the property by the town as the density units may have significant value for the Association.

Steve Letofsky recommended reviewing the history of the project with the town and to try to work out an arrangement or understanding to get the development

rights and zoning reinstated. It may be possible to make a trade-off with some type of affordable housing.

V. OLD BUSINESS

A. Policies and Procedures

Bruce Linster drafted seven policies and procedures and provided copies to all Board members prior to the meeting for review. These policies and procedures are required per CCIOA. Dan Ulmer said he thought they already existed for this Association.

1. Collection Policy – Debbie Linster made a motion to approve the policy as rewritten. Margie Wood seconded and the motion carried.
2. Conflict of Interest, Investment of Reserve Funds and Conduct of Meetings - Margie Wood made a motion to approve these three policies as presented. Gene Congdon seconded and the motion carried.
3. Inspection Copying of Association Records – The Board agreed to change “Board” to “Management Company”. Margie Wood made a motion to approve the policy as amended. Tim Lockett seconded and the motion carried.
4. Enforcement of Covenants, Rules and Regulations – The Board agreed to strike “the Association Secretary”. Margie Wood made a motion to approve the policy as amended. Gene Congdon seconded and the motion carried.
5. Adoption of Policies, Procedures and Rules – Margie Wood made a motion to approve the policy as presented. Debbie Linster seconded and the motion carried.

The Board asked for volunteers to help with reviewing the Declarations and Bylaws for compliance with Senate Bills 100/89. Dan Ulmer pointed out that the Board can amend the Bylaws but amending the Declarations requires a 67% favorable vote by the membership. Paul Davis said he had a consent form from another Association that could be amended for use by this Association. Bruce Linster volunteered to help with this task.

B. Elevator Contracts

John McCallister asked the other Board members if they wanted to change the elevator contract. The contract expires 4/6/10 and 90 days notice is required to prevent automatic contract renewal for another four year term. The contract specified that problems must be addressed within a set timeframe. The contract cannot be cancelled until the termination date unless there is a breach of terms. The Board has until 1/10/10 to make a decision. Margie Wood will try to get someone who knows about elevators to review the proposals. Gene Congdon made a motion to authorize Basic to send a letter informing of non-renewal to the current elevator contractor. Tim Lockett seconded and the motion carried.

C. Natural Gas Provider

Gary Nicholds said he contacted some other bulk gas providers. The Asgard representative analyzed the gas records and indicated the Association could save \$1,351/year as compared to past actuals. There would be a one time fee of \$200 to set up a phone line to meter usage. The representative recommended against locking the price right now. The Board can decide to lock at some point in the future. Gary said Asgard has provided great service. Margie Wood made a motion to approve the Asgard proposal. Paul Davis felt the Seminole proposal should be considered. Dan Ulmer said he had information about the Seminole proposal but he recommended Asgard based on the level of service. The Board agreed to review the comparison information. Margie Wood withdrew her motion.

D. Pool Decking and Clubhouse Code Issues

Erin Stoll said the mats had helped a lot. Two of the code issues were the railing by the hot tub and the exit signs, both of which have been addressed. The other code issue was the pool drain cover, which is not in compliance with the Virginia Graeme Baker Act. There is a question as to whether or not the pool is grandfathered. Debbie Linster recommended discussing this issue after the assessment due date so the Board knows how the Association stands financially. Gary Nichols said he was researching a salt system to replacing the existing bromine system. The salt system would cost about \$1,800 but there would be a 12-18 months return on the investment from chemicals. He will provide information by the next meeting. Debbie Linster made a motion to table further discussion until the Board has a clear picture of the assessment status. Tim Luckett seconded and the motion carried.

VI. NEW BUSINESS

A. Roofing Pavers for 200 Level Units

The roofing pavers are an Association responsibility. There is a stack of pavers by C Building. Erin Stoll will do an inventory to determine how many are cracked before winter.

B. Formation of Architectural Review Committee

Mark Bohdan, Amy Rodgers, Bill Wood and Ed Klibaner volunteered to serve on an Architectural Review Committee. Dan Ulmer offered to provide information from other Associations that the Committee can use to create their own guidelines. The Committee should address all modifications to building exterior and structure (windows, colors and satellite dishes.)

C. Rules Enforcement

There was an incident 9/2/09 with an aggressive dog from Unit 202B. The issue has gone back over a year. The owner has been fined numerous times for destruction of property and dog feces on the deck. On 7/2/09 the dog was off leash and charged an owner; a police report was filed. The Board agreed there was enough evidence that the dog is a nuisance and must be removed from the

property immediately. Dan Ulmer recommended sending a letter to the owner informing him the dog must be removed within 48 hours. The owner has to be given a chance to appeal before the Board on a certain date and the Board can then make a formal decision. Debbie Linster made a motion to have Basic send the owner a letter with the information discussed above on Monday. Margie Wood seconded and the motion carried.

Erin Stoll said she continues to have problems with loose dogs, owners not picking up after their dogs and parking violations. She requested Board support in enforcement and asked that all Board members abide by all rules so she can fine violators without any accusation of unfair enforcement.

D. Roof

The Board has architectural drawings for the roof and some bids in the \$20,000 range have been received. Travis Construction provided a bid of \$25,000. Mark Bohdan was asked by the Board to try to negotiate a price closer to \$20,000 with Travis. A permit will need to be obtained for the work from the town. Travis indicated they could start the project around October 1st.

E. A Building Elevator

Erin Stoll was directed by the Board to have the carpet in the A Building elevator replaced professionally. There should be some extra carpet in the stairwell storage area.

VII. ADJOURNMENT

John McCallister made a motion to adjourn at 10:02 p.m. Debbie Linster seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature