

**SKI AND RACQUET CLUB, LTD.
BOARD OF DIRECTORS MEETING
December 4, 2009
Breckenridge, Colorado**

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order by John McCallister at 7:01 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)
Bill Batton, Member	

Owners Present Were:

Bill Wood, BG2	Mary McKissock, C206
Bruce Linster,	Amy Rogers, C203

Representing Basic Property Management were Candy Ramage, Gary Nicholds and Erin Stoll. Erika Krainz of Summit Management Resources was recording secretary.

II. OWNER FORUM

There were no owner comments.

III. APPROVE PREVIOUS MEETING MINUTES

Debbie Linster requested the following revisions:

1. The minutes indicated that the Board approved a \$1,000 expense but should reflect that the Board voted to approve the expense.
2. Item #13 – change “heat tape” to “access panel heaters”.
3. Under New Business – change The Committee should address “life safety issues ...” to “all modifications to building exterior and structure” and change “ACC” to “ARC”.

Gene Congdon made a motion to approve the September 18, 2009 Board Meeting as revised. Bill Batton seconded and the motion carried.

IV. REPORT OF OFFICERS

A. Treasurer's Report

Debbie Linster emailed all financials to the Board.

Balance Sheet highlights as of October 2009:

1. There was a \$70,000 difference in the balance versus last year due to budgeting.
2. The Accounts Receivable balance was \$32,000 versus a credit balance last year. About \$25,000 of that balance is mainly for two owners; one is in foreclosure and the second did not pay assessment.
3. Fixed Assets – \$826,000.

4. Total Assets - \$977,000.
5. The loans have been paid off in full.
6. Retained Earnings – \$70,000.
7. Net Income – \$704,000.

Income Statement as of October 2009:

1. Income was \$4,000 favorable to budget due to late fees.
2. Utilities were \$4,000 favorable to budget due to a 34% rate reduction for gas and a 12% usage reduction for electricity.
3. Expenses - \$86,000 actual vs. \$94,000 budget.

Reserves:

In order for purchasers to qualify for FHA loans, the Association must have an amount equal to a minimum of 10% of the budget in a Reserve account. Candy Ramage said the FHA also wants to see 10% of the Operating expenses contributed to the Reserves on a monthly basis. She reviewed the financial status of the Reserves:

1. \$750 was spent for the Clubhouse roof.
2. \$10,000 was spent for balcony improvements for four units. There are four remaining to be done and the list on the website needs to be updated.
3. Net income was \$23,000.
4. The roof extension for the Clubhouse was \$19,950.

Debbie Linster said overall the Association was in good shape financially with adequate Reserves and some money for capital improvements.

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

B. On-Site Manager's Report

Erin Stoll presented the Manager's Report:

1. The Clubhouse roof should be completed by the end of next week. Painting will be done in the spring. Mark Bodain will work on this project.
2. A procedure needs to be developed to keep the snow away from the foundation on the back side to prevent leaks.
3. The post holes will be filled with gravel for the winter and concrete will be poured in the spring.
4. There is only one strand of holiday bulbs that are still operational. The Board authorized purchase of LED lights at a cost not to exceed \$100 to be hung in the front of the property by the sign.
5. Erin has completed a number of unit inspections but some of the owners have thrown away the inspection sheets. Margie Wood will inform owners that unit inspections will only be done upon request.
6. Peroxide is currently being used in the hot tub. She obtained a bid to switch to a bromine system for both the pool and spa, which would be less expensive. She also obtained a bid of \$1,800 to switch to salt. She should have all information by the next meeting. Gene Congdon asked her to provide written proposals for each of the three systems by the next meeting.

7. There was only one contractor willing to work on the access panels. The bid was \$2,100 – 2,500. There are five units that need to be done. A suggestion was made to install thermostats.
8. Four companies looked at the heat tape. Turner Morris provided a bid of \$3,600 for 450' of heat tape. Summit Gutter Systems did not return calls and Ma Greene was too busy. Triangle Electric provided an estimate of \$400 – 450 per short downspout and about \$600 for the long downspouts. Debbie Linster made a motion to have Chris replace, repair and restring the heat tape at a cost not to exceed \$2,500. John McCallister and Tim Luckett were authorized by the Board to approve an additional \$1,000 if necessary. Gene Congdon seconded and the motion carried.
9. The garage doors are now operational.

V. REPORT OF COMMITTEES

A. Siding Committee

Bill Wood provided a status report on the “Tennis Court Development”. He met with the Preservation Development Group in late August/early September. He asked for a letter of intent regarding the potential purchase. After four weeks, he still had not received the letter so he sent another email a week ago. The developer responded by sending a purchase agreement. The agreement includes a purchase price of \$1.5 million with several contingencies on their side related to approvals and getting Woods Manor involved in the parcel. The contract provides a fairly short timeframe to resolve these issues, by June 1, 2010. It stipulates that Ski and Racquet has to use the money to remodel the building exterior. The closing date is set for no later than June 2, 2011. The transfer would be with a general warranty deed. A specific performance clause needs to be added on their side as it is included for Ski and Racquet. He will also add a limit of 24 units on the Ski and Racquet property, a request for road replacement and some type of profit sharing agreement. The developer does not yet have financing and has indicated he will pay the \$25,000 agreed upon with Ski and Racquet once he receives funding. Bill Wood asked for comments from the Committee and Board within two weeks so he can continue discussions with the developer.

VI. OLD BUSINESS

A. Elevator Service Contract Vote

The letter of cancellation has been sent to Thyssen Krupp. The contract will terminate March 1, 2010. The new Schindler contract has a 5% increase cap versus 9% average annual increase from Thyssen Krupp. The new contract will provide a savings of \$1,000/month. Gary Nicholds will review the termination clause.

Gene Congdon made a motion to accept the Schindler proposal for elevator maintenance beginning March 1, 2010. Debbie Linster seconded and the motion carried.

B. Natural Gas Provider Contract

There are two potential third party gas providers for the Clubhouse, Seminole and Asgard. Asgard projected an annual savings of \$1,352 and Seminole projected a little over \$1,000. It will not be necessary to add another phone line as there is already one in the Clubhouse. The set up fee would be about \$150 but Gary Nicholds will negotiate with the company about absorbing it. Locking the rate is not required and several Board members were in favor of a conservative approach, i.e. paying market price.

Margie Wood made a motion to select Asgard Energy to provide natural gas for the Clubhouse. Gene Congdon seconded and the motion carried. Gary Nicholds will provide a solid date for the switch within the next two months. The Board agreed to start with a one year contract.

VII. NEW BUSINESS

A. Disputes of Penalties Resulting from Late Payments

One owner has not paid the Special Assessment and the unit is in foreclosure. Another owner paid the assessment just before Thanksgiving and has requested waiver of the late fees incurred. John McCallister and Gene Congdon agreed that it was the owners' responsibility to read the Collection Policy and they did not support a complete waiver of the fees.

Gene Congdon made a motion to reduce the fine for the owners of CP1 to \$150 for the collection fees plus the 10% (\$970) late fee for the non-payment of the Special Assessment, to be paid in full by 12/31/09. If it is not paid in full by that time the entire amount accumulated with fines and interest will be owed. Tim Luckett seconded and the motion carried. Gary Nicholds was asked to draft a letter reminding the owner that any amount paid will be applied first to the fines and penalties and dues will continue to accrue.

B. Clubhouse Rental Fees

There are currently three levels of rental fee for long term renters (\$200), resident owners (\$50) and non-resident owners (\$100).

Margie Wood made a motion to change the Rules and Regulations to allow all owners to rent the Clubhouse for a \$50 rental fee. Debbie Linster seconded and the motion carried.

C. Clubhouse Hours

The Clubhouse currently closes at 9:00 p.m. and there has been discussion about changing this to 10:00 p.m. Erin Stall was not in favor of a later closing. After discussion, Tim Luckett made a motion to keep the Clubhouse open until 9:30 p.m. but to require guests to vacate the pool, hot tub and sauna by 9:15 p.m. Margie Wood seconded and the motion carried.

D. Medeco Key Replacement

John McCallister said the Board needed to establish a policy for replacing the Medeco keys for owners. Gene Congdon made a motion to charge owners who choose not to have the keys duplicated for themselves \$20 for the first replacement key and \$50 after the first replacement. Margie Wood seconded and the motion carried.

E. Alternate Options for Homeowner Information

John McCallister said the website was not current and the information was not updated. Gary Nicholds said the new online payment service (Smart Street) offered a free website. John noted that the Manager's unit now has Comcast and that service includes 1 GB of hosting space for a website. John will continue to explore options in time for the next Board Meeting.

F. Installation of Wall Heater Thermostat in Association Owned Unit

Gene Congdon made a motion to authorize purchase and install a thermostat in the Association owned unit at a cost not to exceed \$30. Tim Lockett seconded and the motion carried.

The Board agreed to have Chris inspect all access panel heaters to determine which ones have thermostats and to propose a solution for tamper proof thermostats without batteries.

G. Signs

Bruce Linster said the Board had agreed to remove excess signs in the parking areas. The Board agreed some signs were necessary but there should be uniformity with oversight by the Architectural Review Committee.

VIII. SET NEXT MEETING DATE

Margie Wood made a motion to hold the next Board Meeting on Saturday, March 6, 2010 at 9:00 a.m. Gene Congdon seconded and the motion carried.

IX. ADJOURNMENT

John McCallister made a motion to adjourn at 10:00 p.m. Tim Lockett seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature