

Rho Condominium Association Minutes

June 6, 2009

Call to Order

Kim McMahon, president called the meeting to order at 1:35 p.m. Units 1802(Suzanne Petik and Jeff Fredrich), 1803 (Sara Knowles), 1805 (LaDonna Jurgensen), 1807 (Mike and Kim McMahon),1811(Beth Humenik), and 1812 (Ken and Pat Mesec) were in attendance. Proxies were on hand for units 1804 (Jack Feuer) and 1810 (David Hackley). Both proxies were given to Pat Mesec. It was determined that a quorum was present.

Also in attendance were Noreen Frye, CMC Accounting, Brian Lence, CMC president, Matt Priebe, CMC Property Manager, and John Erwin from Resort Internet.

Resort Internet Proposal

John Erwin presented a proposal for high speed wireless internet service for our building. The company deals only with associations, not with individual unit owners. They install the equipment and maintain service through a Fraser-based provider. They use G-level routers and transmitters. Resort Internet owns the equipment. The Association (i.e. Building 18) rents it. They have a revenue recovery program whereby renters or guests pay a user fee to log on and part of that fee is rebated to the building association.

In the future, they plan to offer HDTV, digital phone service and digital video surveillance of units. The proposal will be discussed later in the meeting.

Minutes

The minutes of the June 7, 2008, annual meeting were approved as presented, in spite of the fact that they are not signed.

Board of Directors

Pat Mesec's term on the board is expiring. Since she agreed to serve another term, she was nominated and elected to the board of directors.

Sara Knowles noted that the units belonging to two board members are currently for sale (1803 and 1807). A short discussion revealed that Suzanne Petik (1802) and possibly Beth Humenik (1811) or LaDonna Jurgensen (1805) might be available should one or both of those units sell.

Review of Financial Statements

Noreen Frye led a discussion of the Balance Sheet and Income Statement. A review of the "Extraordinary Maintenance" billings revealed that we had been billed twice for the construction of an awning over the steps on the south entrance. We are due a credit.

Maintenance Discussion

Although the new awning is not effective in a wind, Matt has had no complaints about the ice since its construction. Since we definitely need a new roof (see below), we will determine if sloping the roof in a direction other than over the front of the building is feasible.

Kim raised several questions about what kinds of services are included in our contract with CMC regarding building maintenance. The discussion moved to problems with frozen pipes. Matt said he would replace any insulation under the building which his crew removed at no cost. He will email the board his assessment next week. He will also give us a quote on wrapping the pipes and putting new insulation under the building.

There seems to have been problems with some thermostats. The cost of any replacements is the unit owner's responsibility. Matt will investigate whether this is related to the new furnace and will explore options for thermostats available to any Bldg 18 owners who may want to purchase new ones.

Kim questioned the bill of \$53.50 for fall fertilizer as that is listed in our contract as a service provided. Matt said that should be refunded. We also paid extra to have the grass raked of debris that resulted from snow plowing. Some buildings have asked the rec district to pay for this service since it was their plowing contractor who caused the expense. Kim will follow up on this bill.

Matt noted that our contract with CMC covers regular maintenance but does not cover service. For instance, checking the boiler and the heat in the units is regular. Answering a call about no heat in a unit is not regular maintenance. Mike McMahon asked some questions about sump pumps and several other expenses were discussed.

Insurance Reserve Fund

Noreen noted that our insurance agent anticipates a 7% increase in insurance premiums this fall. Noreen expects more insurance bids to be presented this fall. She will let us know. Beth H. commented that all insurance rates are anticipated to increase because of the number of disasters which have occurred around the country.

Spring Report by Matt Priebe

Our trees are not currently being watered but Matt will turn on the sprinkler system tomorrow. He will repair the stakes around the new trees and leave them in place for another year. We will not seal coat the parking lot or walkways. The crawl space is currently dry. Touch up painting will be done on the railings, etc.. But we will not paint the building this year.

Minor modifications to the exterior of the building may be made by individual unit owners with the prior approval of the board of directors. Approval must be requested in writing.

Matt noted that CMC is a licensed general contractor and that they provide services at a relatively low rate for the area.

Roof Discussion

Core samples of the roof have found it to be saturated. We are lucky to have experienced no leaks as yet. It must be replaced. The preferred material is a product called Duralast. They offer a 15 year no dollar limit warranty, but studies are showing a much longer life than that. The project can be done with the least number of penetrations, heat welded and glued. Two bids ranging from \$36,000 to \$44,000 have been received from RTN and Turner Morris. The former is a front-range company; the latter is based in Edwards and has greater mountain experience. Four other buildings in the complex also need roofs. Matt and Kim are hoping to negotiate a contract which includes all or several of the buildings and thereby get a significant discount.

LaDonna Jurgensen moved that we authorize the board in conjunction with Matt to work with the other HCH buildings to negotiate the roof replacement at a cost to us of not more than \$38,000. There is also the understanding that there may be additional costs if the roofers discover plywood that must be replaced when they remove the old roof. Sara Knowles seconded the motion and it passed.

Beth Humenik moved that, for aesthetic purposes, we add a second awning and use the money which was to be refunded from the double billing for the first awning. Sara seconded the motion and it passed with one dissenting vote. Financing the roof is discussed below.

LaDonna Jurgensen moved that we delay replacing the deck carpet for at least one year, that we clean and repair the current carpet using the most effective means possible. Mike McMahan seconded the motion and it passed. Steam cleaning was suggested as a possible way to clean the carpet better.

Painting the building was tabled as a topic for discussion.

Sara Knowles moved that we use \$20,000 of our maintenance reserve for the roof replacement. Jeff Fredrich seconded the motion and it passed.

Pet Policy

Sara Knowles moved that the board be authorized to draft and approve a pet policy for the building which will include a minimum fine of \$100 for dog owners not picking up their dog's waste. Pat Mesec seconded the motion and it passed.

Brian will send examples of pet policies to Kim and Kim will draft the policy for us.

Dennis Justi Report

Brian Lence updated the group on the lawsuit which resulted from a slip and fall accident in July of 2005. He said we have good attorneys. In 2008, the case was thrown out of court but now there is "new evidence" and a jury trial is scheduled to begin 1/10/2010. Our attorneys have suggested that we post signs to be careful on the steps.

Sara Knowles moved that we have Matt order signs using language which Brian determines via the insurance company is appropriate. Kim will make the final approval. Beth Humenik seconded the motion and it passed.

Roof Financing

Noreen rejoined us to tell us that Millenium Bank has offered the association a line of credit with which to cover the balance of the cost of the roof replacement. It will be at a 7% interest rate with no collateral and no guarantees. We decided to use this line of credit rather than to do another special assessment. It was decided to leave our current maintenance reserve assessment at \$1000/month (for the building) and to direct Noreen to pay the line of credit down at a rate of \$750 per month and to add the other \$250 to our reserve fund.

Other Business

Beth Humenik has stated that her screen door needs to be replaced but she wants it to be one that will be appropriate. She will research the matter and from her research we will set the standard for any doors which need to be replaced.

Beth Humenik moved that we authorize Kim McMahon to negotiate and sign a contract with Resort Internet to provide our building with high speed wireless internet. The access charge for renters and guests will be set at \$5 /day or \$25 /week. Unit owners will not pay extra. Sara Knowles offered to handle this contract and review the product for Kim on behalf of Bldg 18.

Management Contract

Brian Lence is asking a 2.5% increase in the cost of management. Kim McMahon asked that CMC be more proactive in their communications with us. Brian responded that he needs to be called when there are problems. LaDonna Jurgensen moved that we approve the contract as presented by Brian. Ken Mesec seconded the motion and it passed.

Landscaping Work Day

It was decided to have a "work day" in conjunction with next year's annual meeting. Each year Building 19 has such a work day where they plant new bushes/trees/flowers.

They assess any non-participant owners \$100 and use the money to fund a barbeque and to buy the new plants. It was noted that our building is often the first one guests notice and that we are competing with newer complexes for value. And Building 19 continues to improve the look around their building. Beth Humenik volunteered to prepare a long range landscaping design with which we can work. Our workday/annual meeting will be held on June 5, 2010. We will work in the morning, meet in the afternoon (1:30 PM), and socialize afterward.

The meeting was adjourned at 5:50PM

Respectfully submitted,
Patricia F. Mesec

Board of Directors Meeting

The board met and designated the following officers.

Kim McMahon, president
Sara Knowles, vice-president
Pat Mesec, secretary

**Building #18 - Rho Home Owners Association
Annual Homeowner's Meeting
Saturday, June 7, 2008**

MEMBERS PRESENT: Kim & Mike McMahon, and Jay & LaDonna Jurgensen

MEMBERS PRESENT BY PROXY: Sara Knowles, Jack Feuer, David Hackley, and Ken Mesec

OTHERS PRESENT: Brian Lence, CMC President; Matt Priebe, CMC Property Manager; Noreen Frye, CMC Accounting & Association Business Manager

CALL TO ORDER: President Kim McMahon called the meeting to order at 1:18 pm.

ROLL CALL/PROXY COUNT/QUORUM: A minimum of 6 units totaling 50% ownership is needed for a quorum. It was determined that a quorum was represented.

APPROVAL OF MINUTES: The minutes of the previous meeting on May 19, 2007 were read. A motion was made, seconded and passed to approve the minutes as written.

ELECTION OF BOARD MEMBER: Jay Jurgensen's term expires in 2008. It was discussed whether Jay wanted to resign but would stay if need be. Sara Knowles was nominated for the position. A motion was made to accept the nomination, seconded and passed.

FINANCIAL REPORT: Noreen presented the Balance Sheet and Income Statement through April 2008.

- Extraordinary Maintenance account was reviewed and explained by Brian.
- The plowing company damaged the new paving job so the bill is not paid yet. Matt is in negotiations with Beavers and Mountain Madness to get satisfaction. The bill may have to be paid out of the maintenance fund. Kim will suggest hiring a new and more ethical snowplow company at the annual Master Association meeting.
- A detailed Balance Sheet was requested from CMC and a suggestion made for a website where this information would be available to Board members where they must have an access code to view the documents. A list of other items wanted on the website was provided to Brian by LaDonna.
- Funding of the Insurance Fund was discussed and it was decided to leave it at the current level.

MAINTENANCE REPORT:

Matt discussed details from the Spring Complex Report.

- Touch up painting looks good.
- Roof will be inspected, including a look at chimneys. It was last done in 1988 so the association may want to consider replacing it soon.
- Matt will work with extending the gutters so they do not drip on the steps.
- Heating system had extensive work over the winter and several issues were noted. It was approved for Matt to get two quotes for the circulation problems - one to fix the

current problems and one to fix the whole system. The Board will review and approve the work.

- The boiler is fine and no major expenses are expected.
- There will be all new sump pumps, and all lines and pipes will be re-secured.
- Spring raking was done, and lawn was reseeded and fertilized.
- Dog waste was discussed.
- It was decided to have the walkways sealcoated.
- Matt will have his crew clean the deck carpeting. A metal grate will be installed outside the boiler room, which should help keep the mud down.
- Window washing will not be done this year.
- Tree planting was discussed. It was suggested that \$1,000 be allocated annually for trees.
- Kim will discuss tree cutting and snow pushing with the Master Association.
- Matt will have the picnic table chained in place, and check to see if both tables belong to Building #18.

After discussion, a motion to increase the Maintenance Reserve dues assessment from \$534 per month to \$1,000 per month was made, seconded and passed.

- A letter will be sent to the homeowners regarding the dues assessment increase. The increase will be effective July for the June payment.
- The increase will help fund the furnace work. Matt will supply Mike with a spec sheet in order to get bids from a Denver company for the furnace work. He will also contact Grand Lake Plumbing and Tolin.
- The increase will build funding for future painting and a new roof.

It was agreed that a special assessment was needed to replace the original 40 year old system. A motion was made that each owner would be billed their share of the \$5,000 needed over a three month period. The motion was seconded and passed.

NEW BUSINESS:

- Internet service and router location was discussed. The topic was tabled, and will go in the homeowner letter for review next year.
- Brian reviewed the pending lawsuit. The stairs may need to be updated eventually however they should be grandfathered for the lawsuit. He will keep the Board updated.
- Brian discussed the renewal of the Management Agreement with no changes. A motion made to accept the agreement was seconded and passed.

SCHEDULING OF NEXT MEETING: The next annual Homeowner's meeting will be held on Saturday, June 6, 2009 at 1:30 p.m.

ADJOURNMENT: The meeting was adjourned at 3:36 p.m.

ADDENDUM: On September 24, 2008 Kim McMahon met by phone with Noreen from CMC and Jim Francis, President of Building 15. It was decided the building Presidents would put up respective signage regarding the pick up of dog waste. It was mutually agreed upon by both Presidents that each building owned a picnic table.