

BEAVER VILLAGE ASSOCIATION #1
ANNUAL MEETING

Saturday, July 24, 2009 9:30 am
Beaver Village Clubhouse

Introduction of Board Members: Vonnie Thomas called the meeting to order at 9:45 am and introduced the following Board members: Vonnie Thomas, Mark Correll, Jim Swanson, Property Manager Mark Johnson and Minutes Recorder Janene Johnson. Board member Jack Klinges was absent.

Proof of Notice: Vonnie Thomas stated that proof of notice for this meeting had been met.

Roll Call and Certification of Proxies: Property Manager Mark Johnson read roll call. It was determined that a quorum had been met.

Minutes: Minutes of meeting held on July 26, 2008 were reviewed upon receipt of copies of the minutes. Stephen Tanberg moved, Jon Lange seconded the motion to approve the minutes as written. The motion carried by unanimous vote.

Treasurer's Report: Property Manager Mark Johnson reported that these financial statements have been prepared as of the year ended March 31, 2009 and have been reviewed by Tim Day, CPA. Mark reported that the cash balances are decent but, in regards to the Capital Improvement Fund requirements, the association is not in good shape. Accounts receivables are building in amounts and that will begin to affect the cash balances.

Mark went on to review the Income Statement, actual expenses versus budgeted amounts. The electric expense is down as a result of efforts on the part of the Property Manager and managing the heat tape on the buildings. Insurance is up and Mark is in the process of re-bidding that policy to reduce the premium. Legal and Accounting represents the tax review process. Snow removal, and snow removal on roofs, is up substantially as a result of a good previous snow year. Forest Management is a new item within the last several years, as a result of the Mountain Pine Beetle. Mark reported on the current status of having sprayed in excess of 100 trees within the filing and removing approximately 55 trees this year. Jon Lange asked as to who was the actual contractor removing the trees. Mark mentioned that his person, Bill Quinn, was removing some of the trees as a licensed contractor. However, Mountain Parks Electric has also done some tree removal when the trees encroached on the telephone lines.

Laura Bossert asked for clarification on the electric savings in regard to the issues that she has been experiencing in her unit in Building 3. Mark explained the process of the management of turning on/off the heat tape to keep the drains clear under the buildings. The discussion turned to also managing the snow removal process to help keep those crawl spaces from gathering so much water under the buildings. Joe Fraser also asked

about an outrageous electric bill for the one month of April. Jim Rodgers helped to respond to the question, regarding admonishing Mr. Fraser to turn the breakers off on everything when he leaves the unit.

Jim Rodgers brought up a discussion on the current Comcast contract for providing television to the units. For the record, Mr. Rodgers does not like the Comcast service. However, Filing 1 is contractually obligated to Comcast until March 1, 2011.

Mark requested that the homeowners review the statement by Tim Day, CPA on the review of the financial statements. The process that Filing 1 has requested is called a Tax Review/Audit Review, which provides a good overview from the CPA on the accounting procedures.

Mark then turned the discussion to the Fifteen Year Plan. Two items have been discussed in great detail, being the replacement of the roofs and the painting of the buildings. These projects will be staggered to provide for better cash flow for the Association. Buildings 2 and 3 are in need of more immediate roof work than 1 and 4. Buildings 3 and 4 will be painted first, then a year or so later, Buildings 1 and 2 will be painted. Mark advised the Board to do a more complete job of painting, including some carpentry, caulking, back-brushing to help protect the buildings. The roofing work has been researched fully and the Board is reviewing the differences between asphalt shingle and metal roofing material. Snow shedding from a metal roof would help save cost of snow removal but the required barriers to prevent snow sliding onto pedestrian walkways might offset that savings. Mark has been directed by the Board to do more research on this issue. Jim Rodgers asked if we currently have asphalt shingles on the roofs and Mark stated that it is asphalt. These roofs were replaced in approximately the early 1990's.

Mary McCambridge asked who would be responsible for choosing the paint color of the buildings, preferring a lighter color as is apparent in the upper filings. Jim Swanson mentioned that the paint issue will go hand in hand with the window replacement issue so it's good to have these discussions at this point. Mark Correll requested that Mary provide the Board with her preferred color (which building in the upper filings). Diane Fischer asked if the Board wanted and would listen to input from the individual homeowners. Vonnie Thomas stated that opinions are always welcomed but that this discussion needs to be tabled until later in the agenda.

Mark Johnson reported that he presented a draft Reserve Study Policy and gave the background of the new legislation, under House Bill 09-1135, that requires an association have a reserve policy on file. This promotes "transparency" for all homeowners to understand how their board makes decisions on operating funds versus capital improvement funds. The State of Colorado just wants to make sure homeowners are aware of how the individual board works. Bernadette Tanberg asked whether an outside contractor would complete the reserve study. Mark mentioned that the policy will most likely duplicate the current way that the Filing 1 Board already works, which is putting the accountability onto the property manager and then distributing the information to the homeowners.

Mark then turned the discussion to the Budget dated April 1, 2009 through March 31, 2010. The budget does not include a dues increase. Mark McCambridge asked, since the income statement shows that the Board ran at a deficit last year, shouldn't the dues be increased. Mark stated that the decision is up to the Board. Jim Swanson did report that the Capital Replacement Fund has been impacted, to the negative, to cover the deficit in the Operating Funds. This is the reason for analyzing whether to increase the dues or possibly just push back some of the capital improvement projects. Bud Hayes mentioned that a higher than ever percentage of the dues is now being paid to the Recreation Association and would like that reviewed. Stephen Tanberg requested that Mark speak to a few of the line items, like electric and trash removal, that show no proposed increase. Is that reasonable? Mark stated that with electric management and revising the amount of trash removal billing to the Recreation Association, those items should fit into these budget numbers. Mark Correll will give a full presentation of the Recreation Association issues later on the agenda.

Property Management Report: Mark went on to discuss the Property Manager's report. He pointed out that the Board is sticking to the plans they have had in place with regard to maintaining the integrity of the property, winterizing the buildings, monitoring the sanitation system, etc. Due to the ongoing, regularly scheduled property management of the Filing, there are no problems or big projects as a result of neglect or non-management.

Business At Hand:

- i. Mountain Pine Beetle: Mark reported on the current Forest Management work being done in the spraying of live trees and the removal of dead trees on the Filing 1 property.
- ii. Collection Policy: To be in compliance with Senate Bill 100, Mark presented a draft collection policy for the Board's approval. Mark explained that this is just a way to create a standard policy for the understanding of each individual homeowner and their accountability to remain current with the monthly dues. This draft policy will be reviewed, input is requested of the homeowner dues, and the final version of the policy will be adopted in January, 2010. Joe Fraser requested a report on how the two current delinquent accounts are being addressed, in the absence of this policy. Mark Johnson reported that he is diligently working at attempting to collect these funds via payment plans, etc. More aggressive tactics will be taken if these accounts remain substantially in arrears, knowing that these amounts have an impact on the financial status of the entire association. Liens can be filed but at the moment, both units are on the market for sale and the amounts may be collected at the closing.
- iii. Windows: Mark Johnson did report that Eric Srodulski requested, via email, to have a moment of the membership's time. Jim Swanson wanted to give a little history and background of this issue. After last year's meeting, the Board took into consideration the feedback given to the Board but Mark Johnson reported that subsequent to that meeting, more information on the

installation of vinyl windows has been obtained. Sawmill Station did use vinyl windows and they are seeing window warpage and replacement. Chuck Bailey with Telemark Condominiums and Riverwalk Townhomes also reported his choice of aluminum-clad wood windows as a superior choice over vinyl. Eric Srodulski asked what last year's meeting meant, regarding a vote of the general membership. Vonnie explained that last year's request of the membership to state whether or not they wanted vinyl or aluminum was simply a poll to assess the general consensus, this issue did not need to be voted on by the membership. Eric then went on to report on his dealings with Dave McNicholas as a contractor to install the windows. Eric did point out that there are different grades of vinyl windows and requested that, upon receipt of these facts, maybe this issue can be re-addressed. Eric reported on the benefits of the vinyl windows over aluminum-clad wood windows. Discussion ensued as to the differences between the two and for the purpose of educating the membership on these differences. Eric Srodulski made a motion that a vote be taken of the current membership in attendance to establish whether vinyl or aluminum-clad window has prevailing consensus. Joe Fraser seconded the motion. Discussion ensued as to the details of the motion and what that would mean to the Board and their final decision. Jim Rodgers amended the vote that the membership can also keep what they currently have, Eric Srodulski seconded the motion. Vonnie reminded the membership that this vote is nothing more than a poll of the opinion. Vonnie called for the show of hands of those that would prefer the Board approve vinyl windows as a possibility for installation. A total of nine (9) votes were counted. A total of three (3) votes were counted for aluminum wood-clad windows. Vonnie reported the final tally and stated that the Board will reconsider their stance as quickly as possible. Eric Srodulski made a motion that if any homeowner wants to change their windows, a vinyl window replacement is a valid option. Joe Fraser seconded the motion. Discussion ensued as to the details of the motion. The Board reminded the membership that this decision is a Board decision and will be made at a meeting immediately following this General Membership meeting. The Board will defer this motion to the next meeting.

Recreation Board/Clubhouse: Mark Correll gave a presentation on the results of yesterday's Recreation Association meeting. Noise abatement from the pool area was discussed, along with visually screening the outside equipment from view from the units. He then reported that the roof of this building will be replaced as a result of faulty shingles from the previous installation. The cost of the shingles is free, as a result of warranty, but the installation itself will cost approximately \$25,000. This should help greatly in the leaks that are apparent in this building. The four boilers in the basement will all need replacement in the very near future. They have outlived their usefulness and, on top of the age, were installed incorrectly at the beginning. The estimate of cost is \$55,000 and has been approved by the Recreation Association Board. The third large project is the seal coating of the parking lot and the common road, of which we are

responsible for 24% of the total cost, or approximately \$4,500. The income to support the Recreation Building is approximately \$162,000 per year. The individual filings support a good portion of that amount but the 2% surcharge for rental units represents the remainder. Mark Johnson's company, along with Kristy Meyer's company, pay their fair share but individual homeowners that rent their units outside of these two rental management companies have not been paying their fair share. Mark Correll reminded the membership that those funds are owed to the Recreation Association and ways of tracking these funds will be researched. Joe Fraser recommended using a pass to be allowed access to the facilities, thereby being able to keep record of those possible rentals. Bud Hayes asked for the Board to research whether or not the current leases in place for businesses located within the building allow for those businesses to be operated. Mark Correll reported that the majority of the Recreation Association Board members feel that the leases do allow for these businesses, especially given light that the additional revenues received from these businesses supports the fact that the building can be run as a recreational facility. Jim Rodgers asked Mark Correll to give an overview of the Recreation Association Board's function, with respect to the property. Jim Rodgers also asked about the 100% cost overrun of the parking lot work that was done in 2008 and the ongoing cost of the building. Vonnie reported that Mark Correll's well-prepared presentation that he made to the Recreation Association was received in an extremely positive light. Towel expense, the operation of the white bus and the leases are all issues that Mark Correll brought up for discussion and was told these are all issues under a contract until April of 2011. The Board members seemed to be interested in pursuing viable options to be fiscally responsible to the individual homeowners.

Real Estate Review: Janene Johnson of Coldwell Banker Mountain Properties gave a short presentation on the current real estate market. She mentioned that there are Buyers out there, ready and willing to buy if the price is right. She also gave a short report on the developer sales both at the base village and Rendezvous.

Other Items Properly Brought Before the Board: Jim Rodgers brought up the fact that the doors on the electrical boxes are in need of replacement. Jon Lange brought up the fact that there is substantial damage on the buildings due to woodpeckers. Mark Johnson will work on the repair work for both of these issues.

Election of Officers: Vonnie Thomas stated that Jack Klinges, Vonnie Thomas, Mark Correll and Jim Swanson are all willing to run for another year. Jon Lange asked for information on the requirement and responsibilities of being a member of the Board. Vonnie Thomas opened the floor for nominations for Board members. Eric Srodulski nominated Joe Fraser for a position on the Board. Stephen Tanberg volunteered to run for a position on the Board, along with Jon Lange. With no further discussions or nominations on the floor, Jim Rodgers moved to close approve the Board of Directors of Vonnie Thomas, Jack Klinges, Mark Correll, Jim Swanson, Joe Fraser, Stephen Tanberg and Jon Lange. Margaret Hayes seconded the motion and the motion carried by a unanimous vote. Margaret Hayes also asked for a round of applause in thanking all of the Board members for all of their hard work. Vonnie Thomas also requested a round of applause as a thank you for Mark Johnson, Property Manager.

Next Meeting: The next Annual Meeting of Filing 1 Homeowners will be held in July of 2009 and all homeowners will be notified at a later date.

Ratify the Actions of the Board of Directors: Jim Rodgers moved to ratify the actions of the Board of Directors. Bud Hayes seconded and the motion carried by unanimous vote.

Adjourn: Jim Rodgers moved and Margaret Hayes seconded the motion to adjourn the meeting. The motion carried by unanimous vote. Vonnie Thomas then adjourned the meeting of the General Membership of Beaver Village Condominiums Filing 1 at 12:10 pm.

DRAFT