

SUMMIT YACHT CLUB CONDOMINIUMS
ANNUAL HOMEOWNER MEETING
September 8, 2007
Dillon, Colorado

I. TOWN OF DILLON UPDATE

Peter Schutz gave an update on the Town of Dillon. He anticipated there would be some level of tax increase as the town is considering an increase of 0.5% to 1.5% to raise funds for road replacements.

There were several new events promoted by the town this summer including a Bike Criterion and an Art Show. The barbecue was once again a great success and from a marketing and events perspective he thinks the town is doing a good job. A new Vitamin Cottage has opened near the Dam Brewery and a Walgreens is under construction across from Alpine Bank. Economically, the town is doing really well.

Peter has been involved in a committee for the revitalization of the Town Center. They have spent fifteen months and hundreds of volunteer hours putting together a plan for the town to review, adopt and endorse. The plan was reviewed at last Tuesday's Town Council Meeting. The key will be formation of an "Urban Renewal Authority". They will do a Blight Study and then create a shell that can offer a number of tax incentives for tearing down or fixing up new buildings. The Town owns all the parking lot land in the town center, so they have the ability to move things around. The committee is looking at ways to develop more units and increase the density so interesting retail is sustainable. Repositioning the town parks may be part of the overall project, in particular the ballfield. At one time a developer was looking at building 200 units and a community center with meeting space and amenities. If this town is to be successful going forward, there will need to be a good development climate and everyone will have to give a little and compromise. The committee recommended a PUD overlay at the Town Council Meeting. This would mean that every project would have to come in on its own and would be able to try to negotiate on the building codes, especially regarding height requirements.

A question was raised regarding the marina. Peter said the town had hired marina consultants out of Wisconsin. They should have something done by the first of the year. They may be a bit more aggressive than the town anticipated. Peter believes mixed use would be best suited; it would need to be linked with the town.

Lake Dillon Drive redesign will be continued. The town would like to have a "gateway" park northwest of Pug Ryans with a water feature and a gathering place.

II. CALL TO ORDER

The meeting was called to order at 9:20 a.m.

Board members present were:

Ron Pearce, #34

Robert Hilbrecht, #43

Owners present were:

Ron Von Behren, #5

John and Janice Vanderpool, #8

Joe Haenn, #16

Paul Hitzhusen, #18

James Margolis, #25

Michael Coulter, #35

Kristina Guerrero, #49

J. Christopher Cox, #7

Joseph and Beverly Ramputi, #14

Deborah Kirk, #17

Kimberly Nicoletti, #19/20

Peter Schutz, #30

Lisa Hermes, #42

Sixteen units were represented in person and twenty-four by proxy and a quorum was reached.

Representing Summit Resort Group were Peter Schutz and Rob Carter. John Sabal of Summit Building Solutions was a guest at the meeting. Erika Krainz of Summit Management Resources was recording secretary.

III. PROOF OF NOTICE

Notice of the meeting was sent August 8, 2007 in accordance with the Bylaws. A copy was included in the meeting packet.

IV. APPROVE PREVIOUS MEETING MINUTES

Joe Haenn made a motion to approve the minutes of the September 9, 2006 Annual Meeting as presented. Michael Coulter seconded and the motion carried.

V. TREASURER'S REPORT

A. *Balance Sheet as of August 31, 2007*

As of August 31, 2007 the Association had total liquid assets of \$116,021. The Alpine Bank balance was \$102,016 and was earning over 5% interest. A \$50,000 transfer was made from the Reserve account to pay the first two invoices for the roof. Accounts Receivable was \$3,149. One owner was more than ninety days delinquent. There is \$52,000 remaining to be collected for the Special Assessment and Accounts Payable were \$11,929 for the roof balance.

B. *Year-to-Date Profit and Loss*

The fiscal year for Summit Yacht Club runs from November 1 to October 31. Interest income has not been posted for the month because the bank statement has not been received yet.

Overall the Association is in good financial condition. It is operating with a nice net cash flow. The contribution to the Reserve is between \$100 - 2,500 per month.

Peter does not anticipate any changes to the dues for the next fiscal year. The Reserve Fund must continue to grow. The concrete curb on Building 4 still needs to be replaced and the Board is trying to figure out what to do with the shake shingles. The parking lot will need an overlay or sealcoating and striping in the next few years.

An owner asked if there would be a separate Capital Improvement Budget for the building renovation. Peter said one would be created. Expenses so far have been minimal, mainly soft costs for engineering studies and permits.

An owner asked why the Reserve contribution varied. Peter explained that four years ago the Association started looking at this project and raised dues significantly in anticipation. The dues were also reallocated to make them equitable between bigger and smaller units. The monthly contribution variance is due to different expenses at different times of the year, i.e. higher costs in winter and when the insurance premium is due.

One owner is \$4,624 delinquent in dues payments. A lien will be filed to protect the Association if he does not pay. He will be sent a certified letter and Peter Schutz will try to hand deliver an invoice. He hopes to have this issue resolved by the end of the month. Late fees have already been posted.

VI. MANAGING AGENT'S REPORT

Peter Schutz reviewed the management structure of his organization and provided contact information for key personnel in the meeting packet.

Peter thanked the Board for their work on the renovation project.

Completed projects included:

1. All chimneys were cleaned for \$50 each by a Denver contractor.
2. Tom Hill inspected all boilers and notices were sent to owners about any deficiencies.
3. When the insurance premium was renewed, Peter increased the building value to \$175/sq.ft. based on current reconstruction costs. Owners need to insure their interior contents, but all built-ins are covered by the Association policy. He recommended using the same carrier (Farmer's Insurance) as the Association to facilitate claims.
4. The 2000 House Rules were rewritten. Peter emphasized they had come a long way in five years in regards to the quality of tenants and exterior appearance. He encouraged all owners to call the office regarding any problems they see. He said only owners are allowed to have pets and reminded owners to pick up after them. The direct line to the Dillon Police is 468-6078 and he recommended owners call them regarding night noise disturbances.

Joseph Ramputi asked if there was a list of which owners rent their units. Peter said he would try to determine this information and add it to the owner list.

John Vanderpool requested installation of bike racks. Peter recommended locating them on the lake side for security. The owners supported one rack per building. The Board will try to identify locations by each building.

Joseph Ramputi commented that the floodlights were burning at all hours on one building. Peter said Bernie has looked at them numerous times. They are on a photocell but the circuit seems to have a mind of its own. He will have Bernie look at them again.

VII. ROOF REPLACEMENT UPDATE

The roof replacement is about 95% completed and one of the two fifteen year warranties has been issued. The workmanship is good. Both bids were upgraded by \$10,000 to include tapered insulation between the old and new roofs to direct water flow to the downspouts. The Board needs to determine what should be done with the Mansard roof and shakes. They serve no purpose. The least expensive bid for replacement was \$41,000 for all three buildings. In addition, they would have to be stained and that bid was \$21,000. Peter will research a product called Shakertown. It is installed in sheets and is therefore less expensive. It could be used on the Mansard roof. There are some flashing and trim issues on the lake side of the chases but overall Turner Morris did a good job.

VIII. BALCONY/STAIRWAY RENOVATION PROJECT UPDATE

John Sabal of Summit Building Solutions explained the project was one month delayed because the foreman thought the support posts were going to be installed on the inside of the deck railings. This would not have been feasible due to the narrow width of the stairs. The proposed solution is to add steel to the posts at a cost of \$50 each (there are 400 of them). The manufacturer has tested and passed the product. The product is scheduled for delivery next week. The issue of who will pay for the steel posts is being negotiated between the distributor and manufacturer.

The foundations are looking good in the back and good results were achieved by digging down four feet. There was an engineering change because the specs called for one pier but there will actually be two. This change was approved by the Building Department. There will be an inspection on Monday. It appears the front side of the building was backfilled with road base at the time of original construction and this is causing a bit of an issue. The ground work should be ready by Wednesday and the posts should be delivered Thursday.

Work will start by #13 on Monday. It is the closest to the ground so there will not be issues with falling construction debris. There will be trash slides in compliance with OSHA standards. A scaffold with an internal stairway will be erected to allow for unit access during the project.

An owner asked about the choice of the grey color for the balcony and railing material. It was selected by the Board. It is a recycled composite material and white would have cost

\$10,000 more. Several owners did not like the color and voiced their opinion that the owners should have been allowed to vote on it. The options are grey, brown, dark brown, tan or white. This issue will be discussed at a later point in the meeting. John Sabal said it might be possible to change the order for a different material color.

James Margolis asked if the stairway width would be increased. John Sabal responded that it will be the same as the existing, as will the height of the stair treads. The handrails will be brought up to a 42" height.

Joseph Ramputi commented that one stairway landing should be moved up higher. It is the only one that is so low and people hit their heads on it. John Sabal will look at it and see if the design can be changed.

James Margolis asked if steel stair treads had been considered. John Sabal said they were considered but they were very expensive and a change in the code that required smaller holes eliminated the potential benefit of allowing snow to fall through. They would also be noisy. Work will start on the upper decks of all buildings and it should be possible to access all decks from the outside of the units.

John Sabal said they are hoping to finish all three buildings by January 1st, but if there are any delays they will aim for completing two this year and the third in the spring. John mentioned there were many trees in the way by one building.

Deborah Kirk requested two weeks notice for clearing the balconies.

IX. APPROVAL OF \$250,000 LOAN FROM ALPINE BANK

Deborah Kirk made a motion to authorize the Board to enter into a loan agreement for up to \$250,000 from Alpine Bank for the stairway and deck project. Kim Nicoletti seconded. In discussion, it was clarified that \$100,000 from the Special Assessment also would be used to pay for the project. The loan balloon payment in ten years will be in the neighborhood of \$160,000 – 180,000. The Association may want to look into refinancing before the balloon comes due. Lisa Hermes felt they should consider a twenty year fixed rate loan. Peter Schutz pointed out it was an unsecured loan, which usually can only be obtained at a higher rate. A fixed rate would most likely be somewhere in the mid 8% range. Lisa thought the balloon payment in ten years could cause problems for people who want to sell in nine years. Peter said the Board could have levied a Special Assessment for the entire amount to avoid the need for a loan, but they wanted to abide by the spirit of what was discussed with the owners, which entailed a loan for \$250,000. Lisa clarified that she did not object to obtaining a loan; she was only concerned about the balloon.

Peter Schutz said the existing contract with Summit Building Solutions is for \$350,000. There may be an opportunity to renegotiate since they may only complete two of the three buildings this year and he will pursue this. The loan will be structured as a construction draw. The rate is adjustable and is set at prime.

Lisa Hermes said she would like the Board to check on the rate for a twenty year fixed rate loan. Peter Schutz said he could contact Alpine Bank on Monday and present his findings to the Board by email. An owner noted that the Association could pay off the loan at any point before the balloon comes due as there is no prepayment penalty. Joe Haenn pointed out delaying the process at this point would end up costing the Association more.

A vote on the motion was taken and it carried unanimously including all proxies.

The loan balance in relation to the Association financial status will be reviewed on an annual basis at each Annual Meeting and the owners will help decide if it is prudent to refinance or to pay off the balance. This topic will be included as an annual agenda item.

An owner asked how this assessment was calculated given that ground level owners do not have decks or railings. Peter Schutz pointed out the ground floor owners have concrete pads and replacement would be paid out of Association funds. All owners are responsible for a portion of the expense for this project and all owner values will increase as a result of this project. The owner said there had been sketches of fences for the patios created a few years ago and he wondered if that concept had been pursued. Peter said this if there was owner interest, this proposal could be reexamined. Peter was asked to send the drawings to the owners. Peter pointed out such fences could interfere with snow removal.

X. NEW BUSINESS

A. Color of Railings and Decks

The Board selected the pewter grey color for the deck material as it went well with the existing blue and the color of the shakes.

Deborah Kirk made a motion to keep the blue color for the building the next time it is painted. James Margolis seconded. In discussion, Deborah said she was in favor of staying with the tradition. Peter Schutz commented that changing the color would be more expensive than keeping the same color. Joseph Ramputi felt that a more neutral color for the decks would allow more options for changing the building color in the future. The motion did not carry with six in favor and ten opposed.

Joseph Ramputi made a motion to use the same color material for the decking and rails. Kristina Guerrero seconded and the motion carried.

Paul Hitzhusen made a motion to select the pewter colored material for the decks and railings. Deborah Kirk seconded. In discussion Kimberly Nicoletti said the tan color would allow for more options when repainting the building in the next two or so years. Peter Schutz pointed out that changing the building color could necessitate another Special Assessment in order to repaint all three buildings in the same year so they match. Usually only one building is repainted every two years. The motion carried with nine in favor (seven owner present plus two proxies assigned to the Board) and eight opposed.

Joseph Ramputi said in the future he would like the owners to be involved in color decisions instead of having the Board make choices. Peter Schutz clarified that all owners were notified of a Special Meeting that was held to choose the color of the material and several attended.

B. Steps

John Vanderpool is looking into the feasibility of building steps down the hill to the marina. Owners were encouraged to contact the Dillon Mayor as there may be some town funds available. Peter Schutz will inform The Moorings Association about this project.

C. Dead Tree

Peter Schutz encouraged owners to call the Scott O'Brien with the town about the dead tree on the corner. He has already done so several times.

D. Aspen Trees

A Lakeview owner requested that five aspen trees be cut down because they are blocking his view. The owners present were unanimously opposed to this request.

E. Loan Authorization

Joseph Ramputi said he objected to the Board having the authority to obtain a loan with a majority vote of only 51%. He made a motion to raise that requirement to 67% in the future. There was no vote on the motion due to lack of a second.

XI. ELECTION OF OFFICERS

There was one vacancy on the Board due to the expiration of Ron Pearce's term. Kristina Guerrero nominated J.C. Cox. John Vanderpool seconded the nomination. Mike Coulter nominated Joe Haenn and Peter Schutz seconded the nomination. Peter said Nancy Evans was on the Board but sold her unit and her seat was never filled, so both candidates could be elected to serve on the Board.

A motion was made to elect both candidates by acclamation. The motion was seconded and carried.

XII. RATIFY BOARD ACTIONS

Lisa Hermes made a motion to ratify the actions of the Board over the past year. Peter Schutz seconded and the motion carried.

XIII. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, September 6, 2008.

XIV. ADJOURNMENT

With no further business, the meeting was adjourned at 11:40 a.m.

Approved By: _____ Date: _____

Board Member Signature