

Bay Club Condominiums
Annual General Meeting of the Members
May 20, 2006, 10:00 a.m.
Senior & Community Center in Frisco

Owners in attendance were:

Bob & Lynn Butts	(209)
Ron & Judith Palmer	(109)
Bobby Hines	(210)
Mike & Sharolyn Hoskinson	(211)
Ken & Connie Stark	(103)
Jim & Joanne Rizzi	(206)
Randy & Barbra Beeson	(115)
Gainey Best	(215)
Virgil Robinson	(207)
Tom & Mimsi Milton	(116)
Bill & Denise Waddell	(111)
Jim Shapiro	(204)
Paul & Heidi McClain	(214)
Laurie Hemlick	(216)
Fariba Samimi	(102)
George McLaughlin	(201)
Murray Bain and Regina Morris	- Management

Present by valid Proxy were: John and Mary Lou Grossman (108), Sue Ehmsen (107), David and Mary Hostvedt (114), Karen Braden (113), Russ Den Braber (203), Greg Clarke (213), and Michael Peays (202).

Call to Order and Introduction:

The Board of Directors and Management introduced themselves to the membership. George McLaughlin, as current President, welcomed everyone.

Quorum and Proxies:

16 units were represented in person. 7 proxies were received as being valid (note - 2 were received post meeting and therefore declared invalid). As a total of 23 of the 32 units were represented, a quorum (17 needed) was thus established. As Secretary Greg Clarke was absent, Mimsi Milton was designated by the Board of Directors as Acting Secretary for the meeting.

Approval of Previous 2005 Annual Meeting Minutes:

The meeting minutes of the 2005 Annual Meeting were sent out along with official Notice of Meeting. **Gainey Best motioned to approve the meeting minutes as distributed. Jim Rizzi seconded, and as all were in favor, the 2005 Annual Meeting minutes were approved.**

Approval of Previous November 19, 2005 Special Meeting Minutes:

The meeting minutes of the November 19, 2005 Special Meeting of the Members were sent out along with the official Notice of Meeting. Lynn Best motioned to approve the meeting minutes as distributed. Randy Beeson seconded, and as all were unanimously in favor, it was resolved that:

The minutes from the Special Meeting of the Members held November 19, 2005, are approved.

Old Business

Action Items from 2005 Annual General Meeting: George McLaughlin indicated that the only action items not to be covered elsewhere during this meeting included:

- Hot tub fees – they have been abolished and the association is expecting some legal action from 1 or 2 members. The association’s attorney is very comfortable with Bay Club’s stance on the issue.
- High Speed Internet Service was researched and is currently not cost effective to bring it to each and every unit. Rather, as a few owners have arranged their own wireless service, it is quite possible that others may log onto the unsecured networks.

Management Report:

Murray Bain presented the management report as follows:

- We are entering the third fiscal year under the management of Mount Royal Properties Inc., and feel we have a better understanding of Bay Club’s issues and constraints.
- Roofing heat tapes were not turned on last winter, at the Board’s suggestion. This was primarily because they were considered rather ineffective in terms of preventing roof leaks. Also, the melted water was diverted across the walkways and driveways, causing considerable ice buildup and dangers to foot traffic. The ice buildup last season, as a consequence, was much less.
- However, this past season presented several roofing leaks around the dormers. Rick, from the management, conducted inspections of all upper units and found minimal to considerable leakage, either from last season or prior. Apparently, the leaks were mainly due to incorrect shingle installations, inadequate flashing and ice and shield protection on the dormer sidewalls. Working with roofing contractors and Bay Club’s insurance, all roofs will be repaired between the dormers, with insurance absorbing the costs. Repairs are scheduled to start by month’s end; estimated completion 4 to 6 weeks.
- Interior repairs will start after exterior roof repairs are complete. Owners have the option to perform interior repairs themselves with a reimbursement from the HOA. Rick is in the process of calculating a reimbursement amount.
- Due to an impending sale, unit 214 has already been completed. The leaking was through where the dormer window attaches to the roof.
- Following all repairs the Board will consider heat taping between the dormers in attempt to avoid future leaks.
- Landscaping issues were experienced last spring due to miscommunication and misunderstanding with Neils-Lunceford. This spring the management will start up the irrigation system and monitor it. Dandelions are a continual concern. 2 applications of weed inhibitor have already been applied. More applications will be applied as necessary. Lawn fertilizer and aeration has already been completed.
- Weeds are appearing through the cracks in the courtyard asphalt walkway. The management and Board will consider appropriate repairs in due course.
- There are several pending Rule amendments to occur –
 - Gas grills on decks – rule approved but actual amendment to be created.
 - Dues grace period – rule approved but actual amendment to be created.
 - Upper deck coatings – resolution being presented for approval at this meeting.
- Window cleaning for exterior and interior windows will be offered again this year as a voluntary service.

S.B. 100 Issues:

George McLaughlin mentioned that the association hired attorney, Mark Richmond, to review the governing documents and format the policies as required by SB100. Mark provided a 23-page response from Richmond. The Board suggested they, themselves, fill in the blanks and make the necessary changes to be consistent with the governing documents. After further discussion, it was motioned, seconded, and as a majority were in favor, with 1 opposed, it was resolved that:

The completed SB100 policies, as finalized by the Board, shall be approved.

Roof Repairs:

Murray covered in the Management Report.

Landscape Report:

Laurie Helmick, as the chair of the Landscaping Committee summarized as follows:

- Neils-Lunceford will re-rock the beds in the court yard.
- Perennials and shrubs were planted. All but 3 shrubs survived the winter. Replacement shrubs will be replanted.
- The watering cycle in the beds needs to be worked on. The irrigation system for the flowerbeds is rather inefficient.
- Dandelions are a huge problem. As the management has indicated, weed control is being applied.
- The aspen trees have been staked too long; some will need to be replaced.
- Some money is left in the landscaping fund that owners contributed to last year. Lorrie will send an email about adding more colorful flowers, annuals and perennials.
- Virgil Robinson mentioned that the other properties adjacent Bay Club need to manage their own weeds. It was suggested to contact the Town of Frisco.

Financial Report:

Fariba Samimi reported on the financial status of the Association.

- Expenses over budget include fire protection, snow removal and the roofing claims, the latter to balance out somewhat as the costs and insurance reimbursements catch up to each other.
- Budgeted reserve contributions have not been met, due to cash flows, higher expenses and the absorption of considerable reserve contributions the prior fiscal year into this one.

2006-7 Budget:

George McLaughlin had sent out the proposed 2006-2007 Budget to the membership. This included a Dues increase, effective June 01, 2006. A 2 bedroom unit will increase by \$12 per month, a 3 bedroom unit by \$13 per month. This amounts to about a 5% increase.

- Questions about the Budget:
 - Are there any A/R 6 months behind? Answer was No.
 - Question & discussion on "How are Reserves funded"
 - Parking lot Patch & Seal – should be done every 3 years, estimated 10% increase for budget
- Bill for Legal Services performed by Mark Richmond – the association has not been invoiced. Budget was increased.
- 5% increase in insurance – question how firm is it? Answer, it's an estimate only.
- Bricks by lake need to be fixed – Repairs & Maintenance was increased.

A prepared resolution, as proposed by Fariba Samimi, was presented to approve the proposed 2006-2007 fiscal year budget. After it was motioned, seconded and voted by 21 votes in favor, with 2 abstentions, it was resolved that:

The Budget for the 2006-7 fiscal year is approved (see attached resolution).

Proxy Resolution:

A prepared resolution, as proposed by Jim Rizzi, was forwarded to the membership prior to this meeting. It was formally presented for consideration by George McLaughlin. After discussion and clarification, it was motioned, seconded and voting favorably by 13, with 10 against, it was resolved that:

The proxy change to the Bylaws (see attached resolution) is approved.

Resolution for funding deck coating replacement from the reserve funds:

A prepared resolution, as proposed by Gainey Best and George McLaughlin, was presented for membership approval. After further discussion, Gainey Best motioned, Jim Rizzi seconded and voting favorably by 20, with 3 against, it was resolved that:

The deck maintenance resolution, as attached, is approved.

Other New Business:

No further new business was presented.

Election of Directors:

2 new Directors are required to fill the positions vacated by Fariba Samimi and Laurie Helmick. Fariba does not wish to stand for re-election, however, Laurie is willing to. The Nomination Committee put forward the nominations of Laurie Helmick and Jim Rizzi. Further nominations were open to the floor. As no more nominations were offered, the floor was closed to further nominations. A secret ballot election was then conducted. After tabulating the results of the ballot, it was motioned by Jim Shapiro, seconded by Mike Hoskinson, and, as all were unanimously in favor by ballot, it was resolved that:

Laurie Helmick and Jim Rizzi are elected to the Board of Directors, to serve 2 year terms each.

Next Annual General Meeting:

The next annual general meeting was set for May 19, 2007, at the Senior and Community Center in Frisco, Colorado, if it is available.

Adjournment:

As there was no further business brought to the table, the meeting adjourned at roughly 12:30p.m.

I hereby attest that these minutes are a true and accurate account of the meeting thus held on May 20, 2006.

Signed

as _____
Board Position

Date