

Bay Club Condominiums
Annual Meeting of the Members
May 19, 2007

Minutes of the Annual General Meeting of the members of the Bay Club Condominiums Association, held at the Senior and Community Center in Frisco.

Owners in attendance were:

Connie & Ken Stark	#103
Randy Beeson	#115
Ron & Judy Palmer	#109
Bobby Hines	#210
Virgil Robinson	#207
Bob & Lynn Butts	#209
Mimsi Milton	#116
Laurie Helmick	#216
Greg Clarke	#213
Jim Rizzi	#206
Craig Kinney	#112
Paul McClain	#214

Murray Bain, Rick Pyle and Julie Gasner, Management

Call to Order and Introduction:

Greg Clarke called the meeting to order at 10:07 am. The Board and the Management company introduced themselves to the membership.

Quorum and Proxies:

There were 7 valid proxies received: John Grossman #108, James Shapiro #214, Mike Peays #202, Michael Hoskinson #211, Gainey Best #215, Karen Braden #113, George Dancik #210 Mimsi Milton verified the proxies and a quorum was established.

Approval of Previous Meeting Minutes:

The meeting minutes of the 2006 Annual Meeting were sent out along with official Notice of Meeting. Motion to approve previous minutes by Randy Beeson and Craig Kinney seconded. As all were in favor and none opposed it was unanimously resolved that:

The meeting minutes of May 20, 2006 were approved without changes.

Old Business

Greg Clarke went over the items from the last Annual General Meeting. He explained that half the roof was torn off and replaced last spring after last year's heavy snowfall. There were many leaks found around the upper dormers. Greg noted that Rick did a great job of getting insurance to take care of the cost to replace the roof. He further explained that a heat tape system was installed to considerably minimize more roof issues. The cost for this was about \$30,000 and it came out of the reserve fund. It cost approximately \$800 a month to run the heat tape through the winter.

Grounds: Greg explained that the retaining walls that were knocked over again this winter will be repaired by the plowing company. The landscaping continues to improve thanks to Laurie Helmick and Virgil Robinson's efforts.

Responsible Governance: The new Senate Bill 100 & 89 policies were adopted. These are the Home Owners Association's new Responsible Governing Policies.

Board membership: George McLaughlin sold his unit in July of 2006 and resigned from the Board. Lynn Butts was then appointed to fill the remainder of his directorship. There are currently 3 board positions available, including Jim Rizzi's as his unit is under contract. A new agenda item for owner education was explained as being a new legal requirement.

Hot Tub Fees: There was a joint letter from a former and current owner regarding hot tub fees. Greg stated that litigation has occurred, the details of which are confidential. However, the HOA insurance has taken over the issue. He further explained that the fees did not violate any laws or the HOA governing documents

Insurance issues: This year there were a number of leaks that were discussed. The issue of owner vs. association responsibilities were briefly explained. It was noted that there is a chart being created that explains limited common elements and common elements. This chart will be distributed later to membership, after the new Board has an opportunity for review. It also outlines the respective insurance responsibilities. There were a number of claims on the HOA's insurance. Farmers did increase the association's premium, so Mount Royal Properties did arrange for replacement coverage. Thanks to Rick and his hard work he managed to find coverage with only a slight difference in deductible amount.

Manager's Report:

Roof repairs: Rick Pyle did discuss the roof and interior drywall damage issues. He detailed the fact that there was now 3000 liner feet of heat tape on the roofs. This was installed to limit any future roof leaks. The heat tape has appeared to work well as there was no significant ice build up through the winter.

Landscaping: The board has adopted an aggressive program with weed control on the turf, as well as with the willows.

Painting: Repainting of the wood trim around all doors will be done this summer. There is still some other trim painting that needs to be completed. All the remaining trim will be painted this summer except the upper green soffit. Painting the garage doors will be addressed on an individual basis.

The wobbling railings will be fixed by removing the current screws and replace by longer bolts.

Patios: There will be some deck coating done to repair two damage patios. Resurfacing of the upper units will be looked into to prevent further damage to those decks. This is expected to be completed by the management.

Closet moisture: There has been some repairs made in the closets. Rick asked the membership to inspect their storage closets for any signs of moisture or mold. Craig Kinney stated that the caulking did work in his closet, but there may be some sheet rock that needs to be replaced done.

Asphalt path: It was mentioned that the path is still unsightly and the board may want to look into doing an overlay on it, or replace it with another material.

Security Inspections: These are done for owners who wish to have their units inspected twice a month. Rick also noted that the garages are not checked. It was asked that the Mt. Royal Properties staff ensure any toilets stop running, once test flushed.

Fire Sprinkler System: Sprinkler heads in units should be checked for any leaks. This will be done by the annual inspectors. Members were urged to check their sprinkler heads themselves. If they find any leaks they can call the office to set up repairs.

Other: Murray informed the membership that if their property has a gas grill on the deck or patio, they are responsible to keep a mounted fire extinguisher per the Town of Frisco's fire ordinance. The details are in a letter included on the annual CD disclosures to the members.

Financials:

Murray Bain went over the year-end financials and noted the reason for the two different reports. As of January 2007, the management company switched accounting systems from FRS to Quickbooks. The Reserve was inadequately funded this year, in the amount of \$16512. The landscaping budget was over budget due to the willow removal and mowing expense. The utility expense went up because of the cost of running the heat tape. Heat tape life was questioned and discussed. It was explained that the product used was of good quality and would last longer and a better up front value.

The willow issue was explained by Laurie Helmick, who together with Rick Pyle, found a technique to apply chemicals to the root system of the willows that will protect the wetlands and the lake environment. Laurie also discussed that replanting the area will have to wait to next year. More the perennials were planted last year, in addition to some other landscaping being conducted that wasn't budgeted for. Most came from donations from the membership. This year it was suggested that the costs it should come out of the current budget. Laurie explained that the annual flowers purchased last year cost approximately \$500. She plans to begin planting the 2nd or 3rd week in June.

Budget approval:

Murray Bain explained that this is a "zero based budget" and summarized the current proposed budget. The membership discussed ways to get the reserve fund up to a desirable 15-year fully funded plan. The question of where is the reserve fund interest allocated and discussed. It is currently budgeted to be transferred into the operating account, to assist with cash flow. Murray suggested that the association would be fine through the rest of the year but notes, even with a possible Dues increase next year, it may be difficult to reach a fully funded reserve plan. Siding painting is set for every 10 years. Craig suggested a mandatory increase in Dues annually. Murray explained that the association's governing documents do not permit this. A 5% increase this year was discussed by the membership. It was determined that a 5% increase this year would not cover the association's finances next year, therefore there would have to be another increase. Murray informed the membership that in his experience, most healthy associations do indeed have a small increase every year or two. Greg Clarke suggested splitting the Dues increase to a 7.5% increase this year that would cover the association for the next two years. Murray reassured the Board and Membership that the budget is looked at every year and adjustments can be made. After further discussion pertaining to the effect Dues have on property values, there was a motion to move forward with a 7.5% Dues increase to be effective July 1st 2007 by Randy Beeson and was seconded by Craig Kinney. As most were in favor, with one abstention (due to a unit sale), it was resolved that:

A Dues increase of 7.5% was approved, to be effective July 1st, 2007.

Murray Bain will change the 2007 budget and the reserve schedule to reflect the Dues increase, then the new Board will have to approve then send out to membership for future ratification.

Owner Education:

Owner rights and responsibilities in Colorado Common Interest communities. A handout was presented to the membership covering owner rights and responsibilities. Murray Bain briefed over the most important aspects of this handout and summarized the association’s governing documents. He explained the different documents that govern the association noting that other agencies such as insurance companies may interpret these documents a little differently. Of particular note was the section regarding owner insurance requirements. It was suggested that each owner should obtain a “loss assessment” insurance, as part of their policy, that covers any uninsured losses that the association may pass onto an individual owner. The Rules and Regulations are the best working document and the most read in an association. Murray suggested that the Board of Directors look over these rules every year.

New Business:

Window washing: As all were in agreement, a contractor will be hired to wash the exterior windows for those owners who wish to participate, at their expense. A letter will be sent out to the membership to request participation.

Garage Doors: It was discussed that most garage doors may need some routine maintenance done. The management company along with Greg Clarke will try to get a discounted group rate for this. It is an individual owner’s responsibility to maintain their garage doors.

Election of directors:

There are 3 positions available, all 2-year terms. One further is to be appointed to complete Jim Rizzi’s term. The other three are elections for new terms. Jim Rizzi, chair of the Nominating committee, reported that there are 2 interested members - Paul McClain, and Randy Beeson. Lynn Butts and Mimsi Milton agreed to serve again. It was noted that, due to the tasks of Mt Royal Properties, it is easier to serve on the Board. As no further nominations were offered, nominations were then closed and elections were held by secret ballot. It was motioned, seconded and unanimously resolved that:

Mimsi Milton, Paul McClain and Randy Beeson are elected to the Board of Directors to serve 2-year terms. Lynn Butts is appointed to fill the vacancy left by Jim Rizzi.

Next Annual General Meeting:

The next annual general meeting will be determined by the new Board.

Adjournment:

As there was no further business to discuss, the meeting was adjourned at roughly 12:25 p.m.

I hereby attest that these minutes are a true and accurate account of the meeting thus held on May 19, 2007

Signed

as _____
Board Position

Date

EXECUTIVE MEETING OF THE BOARD:
Meeting held following 2007 AGM
May 19, 2007

Call to order:

The meeting was called to order at 12:30 pm.

Board Positions:

It was motioned, seconded and unanimously resolved that:

The following directors were elected to following positions by acclamation:

Laurie Helmick:	President
Paul McClain:	Vice President
Randy Beeson:	Treasurer
Mimsi Milton:	Secretary
Lynn Butts:	Mem @ large

Next Annual General Meeting will be held on June 8th 2008 10:00 at SR. Center.
Board meeting: Friday July 20th 6:30 pm Paul's unit # 214

Meeting adjourned @ approximately at 12:45