

FROSTFIRE CONDOMINIUM ASSOCIATION
Board of Directors Meeting
December 4, 2007
Conference Call

Board members present were:
Mary Parrott and Merrel Miller.

Representing Summit Resort Group were Kevin Lovett, Peter Schutz and John Crowell.

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I. Call to Order; 10:00 am

II. Owners Forum – The meeting was advertised on the website; no owners, besides Board members, were present.

III. Approve Minutes from 7-27-07 and 7-28-07 Board Meetings – Minutes were approved as presented.

IV. Financial Review

Kevin Lovett of SRG reported on year to date financials as follows:

October 31, 2007 close financials Balance Sheet reports that Frostfire has \$2,986 in operating and \$24,407 in Reserves.

October 31, 2007 close Profit and Loss Statement reports that Frostfire is \$4377 over budget in Operating expenses. Areas of overages include:

Sewer \$1628 over, timing issue, this will be recouped (for 08' budget this has been changed to coincide with billing schedule)

Satellite TV \$1074 over, equipment purchase for additional channels (should not see equipment expenses in 2008, but have increased the 2008 budget for projected service fee)

Internet \$2035 over, based on "transport only" program (increase included in 2008 budget)

R & M bldgs. \$3252 over, due to:

\$1530 roof snow removal

\$1872 repair from leak damage

(projected increase to R & M budget in 2008)

R & M hot tub \$2147 over, due to E bldg repairs (no change to budget figure for 2008 as hot tubs are in good shape going into 2008)

After review, the financial report was accepted as presented.

Proposed Operating Budget 2008

Merrel Miller presented the proposed 2008 operating budget with the following expense line item changes:

500 Management fee – 3% increase per management contract

501 Miscellaneous - \$480 proposed increase

504 Gas hot tub – 28% decrease

505 Electricity – 5 % decrease

507 Water – 43 % increase per new rate

508 Sewer – 5% decrease based on actuals

512 Internet – 369% increase, based on fees for transport only

515 Trash Removal – 11% increase, recycling totter

NEW Roof Snow removal – \$3600 annual expense increase shoveling of D & E roofs
530 R & M Buildings - \$1300 annual increase
533 R & M Fireplaces – decrease \$1350 annually, bill back owners for fireplace inspections and chimney sweeps (wood)
535 Landscaping - \$1000 annual decrease – based on actual expenditures
552 Bank Charges - \$108 decrease, no bank fees with SRG / Alpine Bank deal
580 Reserve Contribution – 19% increase (removal of satellite TV payback)
590 Reserve Contr. From Satellite (100% decrease, payback is complete, monies moved to reserve contribution)

Upon discussion, line item 535 Landscaping expense figure was increased by \$500 to a total of \$2000 for 2008. All other changes were accepted and the 2008 operating budget was approved with the increase to landscaping.

The expense line item changes result in an overall expense increase of 6% and thus an increase to the overall dues as well.

“Putting costs where they belong” was one of the items discussed at the 2007 annual owner meeting; allocating expenses such as, Sewer, Internet and Satellite TV on an equal basis amongst all units. After Board review of the Governing Documents, this plan has been enacted beginning in 2008.

SRG will construct a letter to be sent to the Board for review and then to all Frostfire Owners presenting the approved 2008 operating budget as well as changes to unit dues.

The long term Capital Reserve Plan was also reviewed. Projects for 2008 include painting of the east side of the building exterior and repairs to the brick walk ways at the back side of the building.

V. Managing Agents Report – Kevin Lovett of SRG reported on the following items:

Completed items

- Winterization, snow plow contractor in place (same contractor as last few years)
- Satellite TV programming switch from Rockies to Av's
- Replacement of rotten boards at entries
- Replacement of “bad” deck board at E hot tub
- E bldg. hot tub flue repairs
- Touch up painting
- Recycling container in place
- Unit deck staining complete per individual owner request

Report Items

-HDTV- the building is not wired for HDTV. However, Frostfire is wired for digital, so the ability to continue acquiring TV service exists. For individual owners wishing to have HD services, it is possible.

The following would be necessary:

- Owners would essentially have to “abandon” the existing system and set up a new system.
- This new system would require a new dish and new wiring from the dish to the C bldg. communications room; then to the units wishing to have the HD service – hard cost to install is between \$1000 - \$1200.
- The individual owners would have to pay for this new service and, per the association, pay for their share of the Association service as well- essentially paying twice.
- The good news is that systems are constantly improving as well as options and additional options might come available in the future

After discussion, it was agreed to get updated information prior to the 2008 annual meeting and present the updated information to the owners at the 2008 annual meeting.

-Fireplace inspections and chimney sweeps (wood only) scheduled for December 17th. Mailer sent to owners; owners will be re-billed for service.

Discussion Items

-Window cranks – One of the items requiring follow up from the annual meeting was the replacement of broken window cranks; how and who is responsible (Owner or Association). Merrel Miller has found a source to purchase the window cranks; owners may contact SRG to coordinate repairs to their broken window cranks. Upon discussion and review of the Governing Documents, it was concluded that expenses associated with repairing / replacing a broken window crank are those of the individual unit owner that has the broken crank.

-Board policy on tree pruning and tree maintenance- The Frostfire Board has created the following policy on tree pruning and tree maintenance:” The Board’s role in managing our property at Frostfire is to find the right balance between the overall health and appearance of the entire complex and the desires of the individual owners. In this light, the Board is willing to consider “judicious view trimming” of the aspens blocking the view of the individual units. We want to maintain the overall pleasing appearance the complex now has so any trimming must be done with the approval of the Board and using skilled tree specialists to do the work which will be arranged for by a Board member. We have in the past allowed individuals to do their own trimming with undesirable results, and in the future this will not be allowed. By “judicious view trimming”, we mean to minimize any amount of trimming to just what is necessary to enhance the view from the individual unit. This will not entail large amounts of limb removal, but will be enough to improve the viewing. We want to find the right balance so it will behoove the owner to work with the Board to find the right compromise. It will not be "**no trimming**" nor will it be "**all**" limbs in the way.”

-Roof snow removal- The Board agreed to move forward with the roof snow removal contract proposed by Ma Green for \$3600 for routine shoveling of the D and E building roofs.

-Parking of commercial vehicles in parking lot- The Frostfire Board reviewed the Governing Documents as a follow up to a recent question from an owner on the legality of owners, tenants and guests parking commercial vehicles in the Frostfire parking lot. Amendment 1 Section 5.12 Parking Areas, of the Declaration states “No vehicle of any type may be parked on the General Common Elements except in parking spaces or on such areas as may be designated by the Association. No commercial type of vehicle or truck, and no recreational vehicle, shall be stored or parked on the General Common Elements, except in areas designated by the Association. ...” After review and discussion, it was agreed that Commercial vehicles are permitted to be parked on site as long as the commercial vehicle owner abides by instruction of where to park the vehicle by the Association.

VI. New Business

-Solar power heating systems for hot tub – the following information from Innovative Energy was presented to the Board:

FF uses approximately 8000 KW per month.

To produce 1 KW of energy:

Need 75 sq. ft of space for panel (roof?)

Cost = \$10,000

Rebate from XCEL= \$4500

Fed. Tax Credit = 30% (of \$3500) (it was noted that based on Frostfire’s non-profit status, the tax credit is not a benefit)

5 yr. payback on system for 1 KW

To produce 10KW of energy:

Need 750 sq ft of space for panel (roof?)

Cost = \$80,000

Rebate from XCEL = \$45,000

Fed tax credit = 30% (of \$35,000) (it was noted that based on Frostfire's non-profit status, the tax credit is not a benefit)

13 year payback

Produces \$150 worth of energy each month

After discussion, it was agreed to get an update prior to the 2008 annual meeting and present the updated information to the owners at the 2008 annual meeting.

-Keystone / Vail Resorts development at Mtn. House – SRG reported on happenings at the November 2007 Snake River Planning Commission work session. After discussion, the main issue of concern is the height of the buildings. SRG and the Board will work to keep updated on happenings and voice the concern of building height at each opportunity.

-Cinnamon Ridge II/ ownership of land in front of Cinnamon Ridge II- A neighboring Association, Cinnamon Ridge II, has expressed interest in acquiring ownership of the piece of land that sits in front of Cinnamon Ridge II that Frostfire currently owns. The Board will look into further. The Board instructed SRG to reply to Cinnamon Ridge II as follows: "before any discussions or negotiations transpire, and appraisal of the land must be done at the order and expense of Cinnamon Ridge II".

VII. Next Meeting Date

SRG will poll the Frostfire Board on proposed next meeting dates for the Spring of 2008.

VIII. Adjournment

The meeting adjourned at 11:10 am