

DRAKE LANDING CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING September 4, 2008

The Drake Landing Condominium Association Board of Directors met on Thursday, September 4, 2008, at the office of Carlson, Carlson, & Dunkleman in Frisco, CO. Directors Bren Davis, Gerry Hibbard, Ron Carlson and Roger Swift were in attendance. Barb Walter-Director of Homeowner Associations, and Geovanni Hercules-Frisco Property Manager, represented Wilderwest Property Management (WPM). The meeting was called to order at 4:10 p.m.

APPROVAL OF MINUTES

Although there was not a quorum at the June 5, 2008, Board meeting, minutes were written to document the discussion at that meeting. The Board members present confirmed the accuracy of the minutes without a formal resolution.

MANAGEMENT REPORT

Property Issues – Mr. Hercules reported that Neils Lunceford had recently winterized the landscape sprinkler system. He will provide the monthly property management report to the Board next week.

Ms. Walter confirmed the low season dumpster pickup schedule, (2 dumpsters, A& E, once per week and the 3rd dumpster every two weeks), which the Board requested be implemented as soon as possible. This schedule will remain in effect until mid December.

Ms. Walter reported that the WPM Repair and Maintenance Department is in the process of performing pre-winter glycol checks on HOA boiler systems and asked if WPM or Breckenridge Mechanical should do this check on the Drake Landing systems. The Board asked that WPM perform the checks and provide the results to them.

Rules and Regulations – The previously approved verbiage for a rule change regarding the moving of vehicles every 48 hours was never provided to the membership for comment. Ms. Davis expressed her willingness to review all rules and provide suggested changes to the Board so that all revisions can be addressed at the same time. The Board endorsed her suggestion; she will provide recommended changes to the Board by September 19, 2008.

Window Cleaning – Although window cleaning is scheduled for September 15, 2008, the Board decided to table this project until next spring and requested that it be added to the Property Management Spring Check List to schedule as soon as the weather permits.

Roof Snow Removal – A preliminary proposal from Turner Morris for roof snow removal was presented to the Board but Ms. Walter indicated that the represented rates of \$64 and \$69 per hour may still be negotiable. The Board also requested another proposal for this service because it was felt that Turner Morris did not meet their contractual commitment last winter as it related to timely response. The decision on performing roof snow removal will be deferred until after the annual meeting.

Mr. Hibbard referred to the report prepared by Iris Technologies and there was extensive discussion regarding the next step in the process of solving the various roof issues at Drake Landing. The following actions were determined:

- Mr. Hibbard will contact Iris Technologies to solicit additional details on the recommended size of ridge and soffit vents, how to change the interior can lights in some units to track lights, and a contractor recommendation for performing needed repairs.
- Mr. Hibbard will survey the units with Mr. Hercules to determine which have interior can lights.

- Ms. Walter will solicit roof replacement bids from Turner Morris. It was decided that the priority buildings to address this year are A and C because those buildings have had the most reported leaks.
- Mr. Carlson will research the statute of limitations on construction defects.
- Ms. Walter will post the Iris Technologies report on the HOA website; the Board also approved that the report can be provided to any owner who requests it.

Parking Lot Snow Removal Contract - Ms. Walter distributed the Agreement for Snow Removal Services with Premier and confirmed that even though the start date of the contract was October 16, 2006, it is a perpetual contract with a cancellation clause of 30 days notice by either party. The Board expressed no complaints regarding Premier's service so endorsed the continuation of their contract for the coming winter. However, they will be reminded to refrain from early morning plowing activity.

Developer Transition Audit – Ms. Walter confirmed that the Developer has now sold 46 out of 59 Drake Landing units, which is 77% of the total. Per the HOA Declaration, the threshold has been reached to require him to provide an independent audit of the Association's accounting records. The Board requested that Ms. Walter send a letter to Mr. Silengo requesting the audit within the time required per Colorado statute.

R & M ISSUES

C2 Interior Repairs – The roof repair over Unit C2 was completed by Turner Morris but the interior repairs are yet to be done. The owner of the unit has requested completion of the repairs prior to the start of the winter rental season. Because insurance funds have been received for this work, the Board feels compelled to proceed with the work. A bid for the work was provided by WPM but the bid slightly exceeds the insurance proceeds. The Board approved the work to be done by WPM if it can be done for the amount of the insurance payment. Ms. Walter will discuss this proposal with the Operations Director.

C8 Interior Repairs – An email communication from the owner was reviewed. Although it is suspected that this unit's leak is similar to the leak in C2, the required repair does not appear to be extensive enough to meet the insurance deductible of \$5000. Without insurance funds to cover the cost of the repairs, the Board decided to continue to try to resolve the exterior issues with the roof before performing interior repairs. Approval was given to provide the Iris report to the owner and ask for their continued patience while bids are solicited for the roof repairs.

Exterior Rock Replacement – This work is tabled until spring.

FINANCIAL MATTERS

Payment Approvals – An invoice from Snyder Painting for \$7,260 was presented for approval; this amount represents 50% of the \$14,520 balance on the exterior painting project. The remaining 50% is scheduled to be paid in equal installments on October 1, November 1, and December 1, 2008. The Board approved this payment but asked that it not be disbursed until September 15, 2008.

The Neils Lunceford invoice for \$7,898.67 for work done per the landscaping contract was also approved for payment.

Balance Sheet – The Balance Sheet for the period ending July 31, 2008, was reviewed. Assets total \$65,002.11 with Liabilities of \$39,569.07, which leaves Equity of \$25,433.04. It was noted that the Reserve Account balance is extremely low at only \$729.47 because \$22,344.03 has been transferred from the Reserve Account to pay Operating bills.

Financial Statements – The year-to-date Operating statement indicates a loss of \$10,169.47, which is \$11,529.59 over budget. The overage is primarily associated with utilities and snow removal costs, which includes roof snow removal. Per the Board's request, a history of all costs associated with roof leaks and issues was provided.

Delinquency Report – The Accounts Receivable Due Report was reviewed; all owners are current with the exception of one unit, which has a very small balance in the 30-day column.

Budget Proposal – The preliminary budget proposal prepared by WPM was briefly reviewed. It was noted that a total dues increase of \$52,100 would be necessary to balance the Operating budget. The Board will review the proposal in detail in preparation for budget approval at the next Board meeting. The Board will also discuss at that meeting whether to address the Operating deficit with a dues increase, a special assessment or a combination of the two. Ms. Walter explained line items 611-Management Fees and 612-On Site Hours and reminded the Board that WPM is willing to consider alternate management options. Utilizing Ms. Davis' services on a paid basis to oversee contractors and on site projects was previously discussed but will be reconsidered by the Board. The Board also requested that WPM provide the daily logs for all on-site hours performed by the property management staff.

Loan Documents – Ms. Walter distributed copies of the signed loan documents to the Board.

OTHER MATTERS

The Board will meet again on Thursday, September 18, 2008, at the office of Carlson, Carson, & Dunkleman at 4:00 p.m. The focus of the meeting will be roof issues and approval of a budget for presentation at the annual meeting. Although the annual meeting is presently scheduled for October 25, 2008, consideration is being given to rescheduling it to insure that all four Board members will be in attendance.

ADJOURNMENT

The meeting adjourned at 6:20 p.m.