

**Lake Forest
Board of Directors Meeting
May 16, 2015**

Board members present in person at the Summit Resort group office were David Haraway, Doris McFeeters and Marshall Blaney. A quorum was present. Representing Summit Resort Group in person was Deb Borel. Peter Schutz attended by phone. Lindsay Emore was present representing Emore Maintenance.

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I. Call to Order

The meeting was called to order at 12:47 pm.

II. Owners' Forum

No owners, other than Board members, were present.

III. Approve minutes from March 14, 2015 Board Meeting

Doris moved to approve the minutes from the 3-14-15 Board of Directors meeting as presented. Marshall seconded and with all in favor the motion carried.

IV. Financial Review

The Board and SRG reviewed financials as follows:

March 31, 2015 close financials report that the Association has \$101,857.94 in the Operating Account, and \$1,694.02 in Reserves.

March 31, 2015 Profit and Loss reports \$83,389 of actual expenditures vs. \$88,121 of budgeted expenditures. As of March 2015 close, the Association is \$4,732 under budget.

Areas of major expense variance were reviewed to include:

- 666 Snow Removal parking- \$1,310 over budget
- 667 Snow Shoveling- \$5,169 under budget
- 674 Landscape - \$1,092 over budget
- 677 Hot Tub Maintenance - \$1,032 over budget
- 671 Building Repair and Maintenance - \$2,951 under budget
- 601 Financial and Legal Administration - \$2,062 over budget
- 669 Electric - \$1,298 over budget
- 661 Water - \$2,077 under budget

SRG will add the percentage of variance to the report above for future Board meetings.

Accounts /Receivable

There are three units delinquent on dues. SRG continues to work with these owners to bring them current. One Owner plans to be paid in full by the end of May.

Financial "rebuild" completed by SRG.

The Board reviewed the 2014 Tax Return, which was prepared by Stuhr and Associates CPA, Jolene Reddell. Jolene sent Doris an email expressing concern that the past management company could access the Association's line of credit account. The Board does not agree, and Doris and David are the only people that can sign on the account.

Upon the closing of the sale of a unit, the Working Capital contribution will be placed directly into Reserves.

V. Ratify Board Actions via Email

Dave made a motion to approve the following actions that were taken via email since the last Board meeting:

- 3/24/15 – Unit D 101 floor repair was approved.
- 3/31/15 – Unit D 302 window and door replacement was approved. Board was unaware that they were approving the window replacement, so this needs to be made more clear in the future. There has not been an approved model replacement for the larger window.
- 4/3/15 – Units F 306 and B 201 window and door replacement were approved.
- 4/30/15 – D 101 tenant move out and SRG rental management was approved.

Marshall seconded and with all in favor, the motion carried.

VI. Managing Agents Report

SRG reported on the following:

- Insurance
 - 2015-16 information posted on website
 - Building Value Analysis Quote
 - Last building value appraisal completed in 2007 by Ebert Appraisal
 - Doris suggested that an appraisal done to avoid any potential liability of the Board. This is a cost approach appraisal, and not a fair market price appraisal.
 - The Board reviewed two bids to have the complex appraised. Marshall made a motion to hire Ebert Appraisal to conduct the appraisal of the complex at a cost of \$2,000. Doris seconded and the motion carried.
 - Fair market value of the unit is \$405,000.
 - SRG confirmed, via the website, what was covered in the current insurance policy.
- Architectural Review Form updated to include unit door and window approved models. New guidelines have been posted to the website. These will be removed from the website and SRG will work with the Board regarding an approved replacement window, and the approved information will be placed the website. Currently, only the door has been approved, not the window.
- Neils Lunceford tree maintenance proposal has been approved.

Lindsay Emore reported on the following items:

- Replaced wire between B and C buildings. Locates were performed. The asphalt patch is pending.
- To date this year, bats have not been a problem. The cost to have them removed is approximately \$6,000. This will not be addressed until it becomes a problem.

- Asphalt – seal coat and patch. The Board reviewed the asphalt bids that were presented by Lindsay. The budget figure for asphalt work this summer is \$16,000. Doris made a motion to hire A-Peak Asphalt to complete the necessary asphalt work. Marshall seconded and the motion carried. This will be done before July 4.
- Lindsay will meet with HBS Drainage to complete the work that was approved last summer. The work will cost \$4,600. This will be done before seal coating.
- Spring clean up complete.
- De thatching complete.
- Aeration will be done next week.
- Irrigation will be turned on when necessary.
- There are urine spots and a dog chew toy outside of the B building. Lindsay will keep an eye on this and determine whose dog it is.
- The blacktop at end of D building was plowed up and into a parking place. Lindsay will look at this and have the asphalt repaired.
- Mulch needs to be replaced – Board discussed replacing mulch with rock. If not spent, a portion of the \$55K allocated for staining could be used for this project. Progressive change from mulch to rock is an option. SRG will create RFP and get bids to have mulch and rock placed in the areas.
- Stain – Trim on south side of all 6 buildings will be done this year. Four inch trim boards around windows will be replaced as well as fascia boards closer to the roof. SRG will create an RFP and obtain bids for the staining and send to the Board via email. The RFP will include the following:
 - Power wash prep
 - Staining of the horizontal surfaces of the decks and railings on the second and third floors and deck railings on all three floors.
 - When staining, the deck will be masked from beneath, so it will not drip onto the deck below.
 - All dark brown trim on the buildings to be stained
- There are several (6 or 8) fascia boards with cement boards that have been damaged by water and need replacing. Lindsay will replace the concrete board and this will not be bid in the staining. Lindsay will complete this work on a time and materials basis.
- Spring walk around will take place immediately after this meeting, along with a walk through of unit D101.
- Weeds will be sprayed in the rocks and pulled in the mulch beds.
- The Association owned four-wheeler tires are bald and will need to be replaced next year. Drive shaft rubber cover needs to be replaced. Lindsay will replace this rubber shaft. The Board has given Lindsay approval to spend up to \$500 for repair work.
- Lawn mower – running and serviced. Lindsay suggested determining a price for this and other equipment to purchase and cost to rent for season. Lindsay will determine fair market value.
- Grills have been fired up and are working properly. Lindsay will replace an igniter on one of the grills.
- Shovelers have not been paid for February or March. Lindsay will forward invoices to SRG for immediate payment. No approval from Doris is necessary.

- Lindsay will plant barrels this year as Doris is out of town.

VII. Old Business

- A. Minutes for November 22, 2014 – no official minutes were taken for this meeting. Board members will look for their individual notes and this item will be placed on the agenda for approval at the next board meeting.

VIII. New Business

- A. Unit D101 rental – furniture that is currently in the unit looks nice and is in good condition. Doris will go into the unit to confirm the furniture that was in there when the tenant moved in is still in the unit. The furniture is replaced on a rotation basis. This year the bedroom furniture and flooring will be replaced. Last year the living room and dining room furniture was replaced. The Board is considering the purchase of a flat screen TV. SRG is pursuing leasing this unit for one year for the Association. There will be a cap on two or three occupants. SRG will get the details of the tenants and send it to the board on Monday. Signed lease will be sent to the Board as well, once the lease is finalized. Price is \$1,650 gross plus utilities.
- B. Annual Owner Meeting 2015
 - a. Date: July 5, 2015
 - b. Location: Frisco County Commons, Mt. Royal Room
 - c. Meeting notification packet will be sent to Owners on June 5, 2015. Number of officers who are up for election will be added to the cover letter.
 - d. Board members whose term is up for renewal are Dave and Doris.
 - e. Meeting Plan / Pot Luck – brats and burgers provided by HOA and owners will be asked to bring sides, dessert or salad. The picnic will be held in the spa area. Owners we be asked to bring their own beverages. The Association will provide water. At the annual meeting, Doris will present financials and Dave will run the meeting. A Board conference call will be held in June to discuss meeting details.

IX. Executive Session

- A. Site Management Agreement – this will be tabled until a landscaping agreement with Emore Maintenance is in place.

X. Next Meeting Date

The next Board of Directors meeting will be held via conference call on June 19, 2015 at 1:00 pm. SRG will send out call in information before the meeting.

XI. Adjournment

With no further business, the meeting was adjourned at 2:37 pm.

Approved by: _____ Date: _____