

**TIMBERLINE COVE  
BOARD OF DIRECTORS MEETING  
SEPTEMBER 24, 2008**

**MINUTES**

1. **Call to Order.** The meeting was called to order at 3:10 p.m.
2. **Attendance and Quorum.**
  - A. Board members in attendance either in person or by conference call were George Hart, Duane Abbott, Ed Chang, and Julie Neils.  
  
A quorum was established.
  - B. Also in attendance was unit 302 owner Robert Levin.
  - C. Representing Mountain Managers were Eric Gill, Susan Witkowski, and Judy Freese (via conference call).

President George Hart was participating via conference call and asked that Duane Abbot run the meeting since he was attending in person.

3. **Approval of 8/23/08 Board Meeting Minutes.** It was unanimously decided not to approve the minutes prepared by Wildernest for the 8/23/08 Board meeting. George Hart prepared and e-mailed a letter to owners explaining that he did not feel the minutes accurately reflected the Board's intent especially in regards to the \$30,000 assessment and the method of payment. The assessment was also reflected in the minutes as \$1,000 per unit. This is not in accordance with the Association's Declaration which states that assessments must be based on ownership percentages. The assessment will be an agenda item at the October 4<sup>th</sup> HOA meeting. It was noted that if the 2008 approved budget is revised to reflect the assessment, owners will need to ratify the revised budget. After approval, owners must be given 30 days notice before an assessment is due and payable.

The minutes also incorrectly reported a 12% dues increase. At the August meeting the Board discussed and approved a 15% dues increase. This will need to be changed in the minutes.

It was resolved to revise the 8/23/08 Board minutes. Duane Abbott will make the revisions and forward to Mountain Managers for distribution to owners. Many owners have already received copies of the original minutes and an assessment notice via e-mail. The assessment will be discussed at the HOA meeting when the budget is reviewed in detail. Once the minutes are revised, they will be sent to owners along with any changes to the assessment.

Eric Gill noted that the annual HOA meeting date should be changed. The Association's fiscal year runs from January 1 through December 31. Per the Association's Declaration, the Board adopts the budget and within 90 days sends a summary to owners along with the date of next meeting. Owners will then ratify the budget at that meeting. With a meeting date in October, the Association is actually operating with a budget that has not been ratified by the owners for 9 months. This will also be discussed at the October 4<sup>th</sup> meeting.

4. **Old Business.**

- A. CFC punch list. Some items have been completed while others still need to be done. Eric met with Debbie at Columbine regarding the asphalt and stopping the water from pooling in the parking lot. It was noted owners have added a few items to the original punch list. Overall, progress is being made and Eric and Duane will continue to keep on top of this and make sure all punch list items are accomplished.
- B. Bike hooks are being installed in the garage on Friday along with the eye hooks on the hot tubs. Tony (More Space) will be doing the work. Duane will meet with Tony on Friday and make sure that the bike hooks are hung as high as possible so as not to interfere with parking of larger vehicles. There are two units who have stipulated where they want their hooks hung and Tony is aware of these.
- C. An audit has been completed and after review, Mountain Managers will reply to the Board on Mountain Managers' compliance with the auditor's suggestion. Eric requested a month to get this accomplished.
- D. Circuit boards for the spa gates have not yet been received – Eric is aware of this.
- E. Saflok batteries need to be replaced. They were installed in May or June (1 ½ years ago) and batteries need to be ordered before winter. Mountain Managers will determine the type of battery needed and proceed with ordering and replacement.
- F. Delinquency issues for unit 409 were mentioned. Whether or not these have been resolved is not known at this time. Mountain Managers is still waiting on some documents from Wildernest. This will be an agenda item at the next Board meeting.

5. **New Business.**

- A. Insurance – umbrella coverage. Eric explained that the umbrella coverage was included with the Wildernest policy – they required participation from all of their properties. Mountain Managers does not carry the \$5,000,000 umbrella but it is available. All properties insured under Mountain Managers' "pool" insurance policy renew on 11/1. Discussion took place on the amount of coverage needed. Coverage is currently at \$2,000,000 for liability. Options include adding a \$5,000,000 umbrella for a total of \$7,000,000 coverage (\$1,141 for the year), or possibly adding an umbrella of \$3,000,000 for total coverage of \$5,000,000. Duane noted that the umbrella is relatively inexpensive for liability coverage. Eric will check with farmers on costs and options and forward information to the Board.

- B. Update on unit 102 damage. Eric noted that demolition is now in progress and should be done by Friday. There are currently 2 pods there which should be removed early next week. An extra dumpster may still be needed but the pods will be gone.

Insurance coverage was discussed and Timberline Cove will be paying for most of the repairs. None of the affected units have insurance coverage for mold. Unit 102's renovation cost is estimated at \$95,000 with the owner picking some \$19,000 for areas not covered (drywall mold). Owners of other units are in a difficult position since their personal HO6 policies don't cover mold and neither does the HOA's policy. Julie Neils' unit (103) is the hardest hit with 10 times the spore count. She is unable to live in her unit or retrieve any personal possessions. The protocol recommended total cleaning of her unit. Julie and the other affected owners are paying out of pocket for unit cleaning. Eric will check with the insurance company but he does not feel the policy will cover the cleaning since there is no mold coverage.

Key logs have been reviewed and it appears that Eileen Lerman (unit 102) was the last person to use the unit. The back locks are not keyed to the master system. Since she is apparently at fault, Julie feels she may not have any other option than a lawsuit against Eileen or her insurance company. Other owners also are faced with the cost of cleaning their units due to mold and a class action lawsuit may be forthcoming. Once the walls are demoed in 102, owners will know exactly what they are facing.

It was also noted that the HOA could be facing a substantial increase in water/gas bills for the period in question. The hot water was running full blast for a period of several weeks. How to put in a claim was discussed. Eileen's insurance should come first and if that doesn't work, Eric will talk to Farmers' insurance adjuster and see what the options are. Once all gas/water bills have been received and reviewed, a letter will be sent to the homeowner (Eileen Lerman) stating that the HOA expects her to submit a claim to her insurance company and reimburse the HOA for additional expenses. Owners are responsible for any damage caused to common elements and the HOA has the right to assess for damages.

Whether or not insurance premiums will increase due to this claim is not yet known. Eric is working with Bob Strong – the policy renews 11/1.

- C. Pool/hot tub update. Eric met with Shannon (Maximum Comfort) regarding the blue color in the hot tubs. He stated that this was due to improper Ph balance. Incorrect Ph balance corrodes the copper lines and stains the plaster. Shannon also noted that the plaster job used doesn't last as long as other applications. The plaster will probably need to be redone in 5-6 years at an estimated cost of \$15,000. Both tubs were drained, cleaned and scrubbed (acid wash) which resulted in 90 – 95% of the blue being removed. Spa logs are kept on site and employees are ensuring that the Ph remains at the proper level.

Eric also explained that you can't just drain one tub while leaving the other up and running. The lines would have to be drained and winterized (\$600 – \$650 each time). Since both tubs are kept running during peak times, it's not worth draining and winterizing. It would be better to keep water in both tubs and keep the temperature low (60 degrees) in one while maintaining the other at around 104 degrees.

The sensor on the auto fill system is not working. Eric asked Maximum Comfort for a bid to install timers on the auto fill system. If the water going into the tub is not heated after 9:30 – 10:00 p.m., and the jets are set so they can't come on at night, the tubs would be much more uncomfortable for late night use and people may think twice before getting into a cold hot tub. Jets/heated water would resume each morning. The circulating pump would still work but there wouldn't be heat or jets. It was also suggested that a down-shining light on a motion sensor be added to the gazebo. The light would only come on when someone entered the area and act as another deterrent. It would need to be installed up high to prevent unscrewing of the bulb.

The options suggested by Eric are in lieu of locking the tubs each night. Currently a Mountain Managers' employee goes over every night at 10:00 p.m. to lock the tubs. Locks are still a good idea but the most important thing is to get the gate fixed. The auto fill needs to be repaired regardless of what else is decided. Maximum Comfort's bid was for \$1,355.66 to include adding 3 time clocks, replacing the bad auto fill sensor, and adding 2 hose drains to the existing plumbing. After discussion, it was felt that this was worth a try. A motion was made, seconded and passed unanimously to adopt Maximum Comfort's proposal. When to use this system will be discussed at the annual meeting. The Board authorized Eric to use his discretion regarding when the hot tubs will be locked. This will most likely be done during peak seasons but not during slow times when very few people are at the complex.

- D. Ed Chang noted that 1-2 weeks ago only half the garage lights were on. This happens fairly frequently – the breaker trips for no apparent reason even when no one is in the building; the lights come back on when the breaker is re-set. Replacing the lights with something more energy efficient was mentioned and questions were asked about who is responsible for repairs. The system has not worked properly since day one. Fixtures would be the HOA's responsibility – an electrical problem would be CFC. It might be possible to install photo cells on some of the lights (some lights must be left on). Ed asked Eric for an electrician's name and phone number. Eric recommended Witt with Bluebird Electric. The information will be e-mailed to Ed. Ed is also working on gutters. Eric noted that Rob Karbowski is very good to work with and will forward contact information to Ed.

Eric will ask Witt (Blue Bird Electric) some questions regarding the lights and if it's feasible to get electric to each floor with new lights (2-3 to make it safe) and then putting photo cells on the rest.

- E. MCR – Ed stated he needed to leave the meeting at this time. Eric said he needed 15 minutes of Ed’s time to finalize some numbers on the MCR (i.e. life expectancy/cost of some major items). He’d like to have solid numbers for the annual meeting. Ed and Eric will get together at a later date. Wildernest has not yet provided financial information to Mountain Managers. Therefore, the 2009 budget has not been prepared and Eric will be using Wildernest’s August financials for the HOA meeting.
  - F. Julie noted that in the elevator room, the door on the right hand side needs a door stop.
  - G. Energy audit – Eric has copies that he will send to the Board. The report does not give much practical information/suggestions.
6. **The Next Meeting** will be the annual meeting on October 4<sup>th</sup> at the Senior Center. The MCR will be presented along with the revised 2008 budget (assessment). Homeowners will vote on approving the revised 2008 budget.
7. **Adjournment.** There being no further business, the meeting was adjourned at 4:35 p.m.

Signed:

Approved via e-mail

10/27/08

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George Hart, President

Date

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Judy Freese, Recording Secretary

Date