

SKI TIP RANCH CONDOMINIUM ASSOCIATION, INS.

BOARD OF MANAGERS MEETING

NOVEMBER 20, 2004

I. Call the Meeting to Order

The Ski Tip Ranch Condominium Association, Inc. Board of Managers Meeting was called to order by Ed Wood, Board President at 9:36 a.m. on Saturday, November 20, 2004 in the Starslide Room of the Inn at Keystone.

Board Members Present Were:

Ed Wood, President  
Dan Prosser, Vice President  
Bill Pell, Secretary  
Bob Terry  
Joanna Glaze

Representing Keystone Property Management Were:

Chris Love, Senior Property Manager  
Nick Miofsky, Operations Supervisor

II. Old Business

A. Manager's Report

Senior Property Manager, Chris Love, reported to the Board that the finances of the association were in good shape as of the end of the third fiscal quarter and that he anticipated being at zero at year end. Currently the Association is at about a 19,000 deficit primarily due to accounting for insurance. Pool materials are also budget by above \$7,000. Chris intends to implement various labor saving programs and with insurance adjusting the Association will be at about a balanced budget by year end.

The balance sheet reflects \$171,000 in the unified savings account on September 30 which is primarily made up of reserve funds. Chris advised that Sarbanes-Oxley applies to the Association because of our association with Vail. However the KNC and Vail auditors have advised us that we can with proper procedures now draw funds from the reserve account for painting units.

Extensive discussion was held about the advisability of creating an Operating Reserve account. It was decided that the 2005 Budget will be revised to add a line item for the Operating Reserve. Monies will be transferred to this account at year end 2004 which will be any surplus and which can be used during 2005 as needed.

Chris reported that we have two units which are currently more than 90 days in arrears and he will initiate the lien process against these units. Bill Pell suggested that we also determine who the mortgage holders are for these units and advise them of the default situation. Chris said he will follow up on this suggestion.

Units 8749 and 8711 have recently sold and 8708 continues to be on the market.

A couple of units are submitting to the design review board for permission to install hot tubs. The Association rules already require that the tub be fenced and Joanna Glazer suggested that we also require in the future a certain amount of landscaping, which the DRB would have the discretion, which it has as a part of its mission statement, to waive some or all of the landscaping. The Board felt that a minimum requirement would be for a couple of 7-7.5 foot trees.

### III. New Business

#### A. Budget

Attached to the agenda circulated by Chris was a proposed Budget for 2005 (attached). Extensive discussion was held about the budget. The budget as submitted to the Board will require raising the assessment to \$372 regular and staying at \$126 reserve fund from the current \$355 and \$126, respectively.

The Repair and Maintenance Budget was raised from \$26,000 to \$32,000. However, \$8,000 of that amount was a one or two year expense for landscaping. Typical past experience has been about \$5,000. It was decided to take this \$8,000 out of this portion of the budget and pay it from the newly created operating reserve fund. The 2005 budget for this item will be submitted as \$24,000.

Other areas discussed as the budget was reviewed in its entirety were a new charge of \$50 per month for recycle bins; an attempt to reduce the spa expenses particularly in our methods for acquiring and using chemicals; ongoing discussions with the Lodge about its monthly assessment; an annual line item for audit but at only half of our this year's expense with an intention to have an audit biannually; whether we want to go back to Lockton now that Travelers is with that brokerage firm (the decision was no); painting; trash buildings; and roofing.

The Association has established a schedule for repainting all units on a 5 year, 4 year, 5 year schedule. It was decided that the scheduled full painting in 2005 is not really needed, which will create a surplus in this line item next year. Chris projects that we will only need to expend about \$17,000 next year for needed painting and that the full painting will be needed in 2006 at a cost of 130,000. With the projected surplus Chris will determine cost of having Property Management re-stain the rear decks on those units which have them. This is very much needed on many of the decks and Chris projects that it can be accomplished for \$2,300 – \$2,500 per unit per deck.

The Board discussed the sad needs for repairs for the tennis courts. The Board directed Chris to remove the nets for the Winter. The Board also asked Bill Pell to pursue with Keystone Neighbourhood Company whether that entity might be interested in acquiring the courts or at least repairing and operating them. It was the feeling of the Board that the cost to repair was not justified and that an attractive alternative if KNC is not interested would be to tear them out – develop various lawn games and return some to wet-lands.

A general discussion was held about the trash container buildings. Chris will study and present to the Board various alternatives to make the buildings more attractive and more easily useable.

Chris presented to the board a letter from the roofing company we have been using (attached). At present it will cost the Association about \$350 per square to do re-roofing. The contractor has agreed to study the roofs of the various buildings throughout the Winter on a once or twice a week basis. Next Spring Chris and the contractor will review the results of that study to make recommendations to the Board as to what should be done.

#### B. Reserve Study

As a result of the budget discussions, although it was felt that the reserve study was still accurate, Ed Wood will revise and rerun the Reserve fund Study to reflect those various discussions. Generally, it is anticipated that the Reserve Fund assessment can be reduced from \$126 to \$115 per month and that the general monthly assessment will also be able to be reduced but it will have to reflect an upward adjustment for the \$11 taken out of the Reserve Fund assessment.

#### C. Landscape Discussion

Most of the landscaping committee's thoughts and proposals were discussed as a part of the budget discussion. The Board reviewed the various proposals as to how to get water from the buildings to the central islands of each building. Of the possibilities presented it was felt the least expensive and the most maintenance free proposal was to run PVC piping from the external faucet on the Fire Control Room of each building externally up and over the adjoining garage and down under the deck to the island. Chris estimated that Property Management could do this for the Association at a reasonable cost.

#### IV. Open Discussion

At the KNC meeting on Friday it was presented to the members that the rules on pets in the resort had been changed and that individual HOA's could now adopt rules permitting or disallowing pets within certain limits. The Association has always been fairly laissez-faire in this area; however the declarations and other documents of the Association prohibit pets. The Board decided that a further mailing should be made to members

seeking authority to amend the declarations by deleting paragraph 10.16 thereof which is the declaration section prohibiting pets. If the deletion is approved the Board can then amend the bylaws to provide that pets will be allowed while adopting appropriate rules and regulations governing the presence of pets.

Other matters of a general nature had been discussed during the budget discussions.

V. Set Next Meeting Date.

It was agreed that another meeting of the Board would be needed shortly so that the amended budget could be approved for submission to the members, but it was decided that the date would have to be set after Chris and Ed had completed their studies of what needed to be amended and restated.

VI. Adjournment.

The Meeting adjourned at 11:45 A. M..

Respectfully Submitted: \_\_\_\_\_  
Wilbur F. Pell III  
Secretary

Dated: November 21, 2004