

**WOODBRIIDGE INN CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
JANUARY 26, 2008**

I. CALL MEETING TO ORDER

The Woodbridge Inn Condominium Association Annual Meeting was called to order at 4:05 p.m. in the Woodbridge Inn Clubhouse.

Board Members Present Were:

Paul Sakiewicz, President, #202	Jim Schneider, Vice President, #101
Chris Burns, Secretary/Treasurer, #214	Brad Redman, Member at Large, #107/306

Homeowners Present Were:

Peter Wessell, #102	Harry and Doris Wilson, #104
Nathan Richey and Jack Terrill #111	Irene Bindrich, #201
Robert Feuerriegel, #301	Wayne and Loretta McCorkel, #302
William Danley, #303	Mike Kerrigan, #314

Representing Basic Property Management were Dan Ulmer, Lanelle Barnett and Charles Johnson. Erika Krainz of Summit Management Resources was recording secretary.

II. PROOF OF NOTICE/QUORUM

With thirteen units represented in person and seven proxies received a quorum was reached.

III. APPROVE PREVIOUS MEETING MINUTES

Harry Wilson made a motion to approve the minutes of the January 20, 2007 Annual Meeting as presented. Wayne McCorkel seconded and the motion carried.

IV. PRESIDENT'S REPORT

Paul Sakiewicz gave a Powerpoint presentation that provided an overview of Association business during the past year.

A. Completed Projects

1. Clubhouse and West building 2nd floor roofing was completed by Turner Morris.
2. Rubber tile floor installed in the West building on the second floor walkway.
3. West building garage has been partially closed off against the wind.
4. West building exterior was improved with siding and grates.
5. Landings of stairways were recarpeted.
6. Miscellaneous minor repairs were completed to the lights, painting, Clubhouse windows and landscaping.
7. One rotting deck was repaired/partially replaced.
8. Master key system was implemented. Four units opted out.

9. Fire-Sprinkler-Fireplace inspections were completed and up to code. The inspections were done for the first time in five years.
10. Used about \$40,000 from the line of credit based on the agreement of 75% of the owners.
11. Simplified accounts for easier oversight.
12. Heat tape and insulation was added for the garage ceiling of the East building.
13. Ongoing issues in the garage ceilings of the east and west building are being addressed.
14. The water heaters and mechanical rooms are being better maintained, the leaks have been repaired and the bridge electric line was removed.
15. A contract was signed with Cricket cell phone to install two antennae on the west building. Cricket will pay \$750/month rent. In conjunction with building an enclosure for their equipment they will build a dumpster enclosure.
16. Snow removal contract was signed.
17. Clubhouse repairs were completed and the new hot tub installed in 2006 is working very well.
18. The town has asked for an easement for a kayak park. There will be two phases. The town will build the park on their land in the first phase. In the second phase WBI HOA could be approached for future expansion if the park is very successful.
19. A vote of the owners was taken regarding changing the Clubhouse from a common to a residential only element. Owners overall were in favour of no change but the votes that were sent by mail were strongly in favour of changing it to a residential common element only. The benefit would be restriction of access for the new owners or tenants of the commercial unit, but the drawback would be that the commercial owner would not share in any future Clubhouse-related costs.

B. Future Projects

1. Find a solution for the garage ceilings in both buildings.
2. Repaint the complex or do partial repainting and repairs.
3. Repair stairways and repaint/resurface (carpet or other).
4. Several decks need to be repaired to protect the structures underneath and adjacent.
5. Spruce up the dumpster enclosure and Clubhouse. Replace the Clubhouse doors.
6. Install bike racks in the garages and enlarge the ski lockers.

C. General Owner Education

1. Owners should know where the fuse box, water shut off valve and heating system shut offs are located in their units.

2. Owners should make sure their thermostat is functioning properly.
3. Unit exterior painting should match the rest of the complex, including all door and window trim.
4. Owners, renters and cleaning companies should be reminded to put garbage in the dumpster.
5. Owners should be familiar with the Association Declarations, Bylaws and Rules and Regulations. Paul Sakiewicz suggested having the documents reviewed by an attorney and suggestions provided for cleaning them up. There should be an arbitration clause in the Bylaws to reduce the costs of any potential lawsuit.

Paul Sakiewicz provided a chart illustrating the change in his unit value since purchase in 2005. A developer would be expected to pay about \$12 million to buy out the entire property. The current dues are less than 2% of the value of the units. He felt the owners should be willing to pay for improvements in order to protect their investment.

V. FINANCIAL REVIEW

A. *Balance Sheet as of December 31, 2007*

1. Total Checking/Savings - \$46,141. This includes \$20,355 in the Operating account, \$20,355 in the Alpine T-Bill Reserve account and \$14,809 in the Brook Street money market account.
2. Total Accounts Receivable - \$3,145 credit balance for prepaid dues.
3. Total Other Current Assets - \$1,884 for prepaid insurance.
4. Total Accounts Payable - \$80.
5. Total Liabilities - \$39,693.
6. Total Equity - \$5,188.
7. Total Liabilities and Equity - \$44,881.

B. *Operating Profit and Loss as of December 31, 2007*

1. Total Income - \$205 over budget.
2. Total Administration - \$7,200 under budget due to lower loan fees and lower loan interest expense. Professional Fees was \$1,024 over budget for meeting minutes and project engineering (\$830). Administration Other was \$421 over budget.
3. Legal/Accounting - \$4,198 under budget.
4. Total Repairs - \$827 over budget. Building Repairs was \$1,462 over budget and Landscaping/Grounds was \$1,019 under budget.
5. Security/Fire Alarm - \$683 over budget. There was a trip charge in February 2007.
6. Snow Removal - \$2,023 under budget.
7. Utilities - \$5,059 under budget. Gas was \$5,003 under budget.

8. Net Income - \$7,366 over budget.

C. *Reserve Profit and Loss as of December 31, 2007*

1. Total Reserve Income - \$10,656 over budget.
2. Total Capital Improvements – \$20,282 under budget.

Capital projects completed included:

1. Siding Repair/Painting - \$5,808
2. Boiler Repair - \$2,231
3. Garage Enclosure – \$10,788
4. Clubhouse Roof Replacement - \$6,275
5. Snow Guard – \$1,750
6. Repair Second Floor Walkway Floor/Roof – \$16,079
7. Garage Ceiling Repair - \$3,549
8. Total Capital Improvements - \$46,480

There is \$35,000 remaining on the line of credit that can be spent.

Harry Wilson made a motion to approve the financial reports. Peter Wessell seconded and the motion carried.

D. *2008 Budget*

Chris Burns explained that the 2008 Budget as written includes a \$7,700 carryover from 2007 and a 3% dues increase. The income for the Cricket antennae is not included. The 2008 Budget has already been approved by the Board but must be ratified by the owners.

Peter Wessell asked if there were any 2008 capital projects planned. Paul Sakiewicz said projects would be discussed at a later point in the meeting. The costs will be funded out of the remaining balance on the line of credit.

Charles Johnson noted the alarm system did not pass inspection as there are some repairs needed. One 4” backflow device froze beyond repair some years ago and must be replaced. This should be added to the capital project list for 2008.

In discussion, Peter Wessell said he was strongly opposed to deficit spending. He was concerned that the Association was under funded for capital projects and said the owners would probably need to either pay higher dues or find other revenue streams. He proposed three ideas for funding capital projects:

1. Establish a transfer fee for all real estate sales, to be credited to the Reserve Fund. Paul Sakiewicz said this would require an amendment to the

- Declarations. Purchasers currently pay three months of dues into the Reserve Fund and this amount is returned upon the sale of the unit.
2. Convert the Clubhouse into another residential unit and sell it. Mike Kerrigan said this idea was explored by a previous Board a few years ago. A contractor looked at the space and the town was approached. The contractor indicated it would be very expensive and the Board was told by the town that this conversion would not be allowed due to parking limitations.
 3. Take advantage of any additional density for development. Mike Kerrigan said the original plans called for another building connected to the west building but the town will no longer allow density of this sort in that space.

An owner asked what the estimated dues increase would be if the additional \$35,000 balance on the line of credit was not spent and the expenses for the remaining projects were included in the dues. Lanelle Barnett said the total increase would be about 6.7%. Peter Wessell noted that if there is a remaining balance on the loan and owners sell, they end up leaving without repaying their fair share. Mike Kerrigan said he was in favour of improvements but he would also prefer to pay for things as they go along. Mike Wessell thought the 2008 Budget was out of balance and \$9,500 was not adequate to fund the capital projects. Before approving the 2008 Budget, the owners agreed they wanted to review the projected capital expenses.

Dan Ulmer said the Board had a “wish list” and a list of expenses. One key issue is the south facing siding on one building, which could be an expense of up to \$60,000. There are some decks that need to be reworked to prevent drainage into the garage. The buildings will need to be painted in the near future. Jim Schneider noted certain exposures needed more frequent painting due to sun and wind exposure. An owner suggested adding some type of wind blow below the railing to keep the snow out.

Peter Wessell made a motion to direct the Board to propose an amendment to the Declarations for a non-refundable transfer fee of up to 3% of the sales price, to be credited to the Reserve Fund. Paul Sakiewicz seconded.

In discussion, Dan Ulmer noted such an amendment would require a 68% vote of approval by the owners and mortgage companies. Mike Kerrigan pointed out that there was a 1% Frisco town transfer fee; he was concerned an additional fee might make the property unattractive to potential buyers.

William Danley was also concerned about making the property less attractive than other properties and was not in favour of a transfer fee. Chris Burns agreed that it would be another hurdle. Harry Wilson pointed out that not long ago there was no Reserve Fund; it has now been established and it is growing every year. He also did not support a transfer fee. Wayne McCorkel commented that both Keystone and Breckenridge have transfer fees. An owner pointed out that if only one or two units

change hands per year, it may not be worth amending the Declarations in the long run. Dan Ulmer felt it would not be an easy task to get 68% approval of all owners and mortgage holders; alternatively, it may be possible to get the amendment approved by presenting the proposal to a judge.

William Danley said he proposed an increase in the Reserve Fund contribution a few years ago. He thought at some point there would be enough money in the Reserve Fund to stop the contribution and that revenue could be used to pay down the debt.

The motion did not carry with the owners of and proxies for Units 303, 314, 315, 107, 306, 106, 202, 208, 203, 307, 104, 103 and 111 opposed and Units 201, 214, 302, 101, 301 and 102 in favour.

Wayne McCorkel made a motion to authorize the Board to review the Association Declarations and Bylaws and to identify inconsistencies. Chris Burns seconded. The motion carried unanimously.

Harry Wilson made a motion to ratify the 2008 Budget. Paul Sakiewicz seconded and the motion carried with two opposed.

VI. MANAGEMENT REPORT

Dan Ulmer said he received many compliments about the condition of the Clubhouse. Norma handles all the cleaning, Jose does the snow shovelling and Bobby Cat does the plowing.

Dan said there were a few issues he needed to address:

1. Owners were reminded to walk their dogs in the back of the property and not to allow dogs to relieve themselves in front of the building.
2. There was excessive occupancy during the holidays in some units. This overtaxed the hot water boiler. Rental owners should make sure their rental management companies do not book excessive occupancy in their units.
3. He warned owners of a current scam related to short term rentals. Hackers pirate rental websites and collect the rental fees up front. When the guests arrive there is no reservation.

William Danley thanked management and the Board. He commented that the snow banks at the end of the driveway blocked visibility; the situation has been exacerbated by the town plows. He has also seen "parking poaching" by people riding the Summit Stage. Dan Ulmer said he could put up some warning signs. Owners should contact Charles Johnson at 970/389-0982 to arrange for towing of unauthorized vehicles. Dan will inform the town about this issue.

VII. OWNER COMMENTS

A. *Board Projects*

1. Robert Feuerriegel said the garage ceiling should be a priority for 2008. The ceiling must have sheetrock or a coating on the steel as a fire retardant.
2. Although there are very few lodgepole pines on Association property, the owners agreed all lodgepoles on the property should be sprayed against pine beetles. An owner suggested checking into the possibility of a firewood cutting permit to remove some of the dead trees behind the building that are on Forest Service land since the Forest Service does not plan to remove the dead trees.
3. Change the wording of the Association documents to allow erection of an antenna on the roof.
4. Fix the windows when the buildings are painted.
5. Coordinate a project for replacing shut off valves in units. Dan Ulmer said he could probably get a discounted bid to do all units.

B. *Owner Comments*

Harry Wilson said barking dogs should be added under offensive activities in the House Rules and Regulations Summary. All owners should have updated House Rules posted in their units. The entrance lights are working but are on all the time. Charles Johnson said the sensors had been covered by snow. Harry said the shut off valves barely work in his unit and probably need to be replaced in all units. He was not in favour of abandoning the Clubhouse facilities.

VIII. OLD BUSINESS

A. *Cricket Review and Dumpster Improvement*

Cricket will be paying \$750/month and will also provide a dumpster enclosure and a lot of painting. The antennae will have a separate meter and Cricket will pay for their own power. The initial lease runs for five years; the rental rate then increases by 1.5. Chris Burns will check with Cricket about the possibility of providing wireless internet access but he anticipated there could be a number of problems.

B. *Wireless Internet Update*

Comcast has provided a proposal with a rate of \$40/unit for installation of high speed internet access plus \$25.95/month for connection to each unit. All units would have to participate to receive this discount. The service would actually be hard wired into each unit. Paul Sakiewicz made a motion to install Comcast in every unit at a cost of \$40/unit for installation and \$25.95/month for access. Wayne McCorkel seconded and the motion carried with owners of and proxies for Units 201, 214, 303, 314, 315, 302, 107, 306, 106 and 301 in favour and Units 111, 202, 203, 208, 307, 101, 102,

104 and 103 opposed. Chris Burns noted the monthly fee (\$9,050/year) would have to be incorporated into the dues.

Wayne McCorkel made a motion to charge the monthly access fee as a flat rate per unit unless otherwise specified in the Declarations. The motion was seconded and carried with two opposed. The installation fee will be paid out of the Reserve Fund.

C. Residential vs. General Common Element

According to the original Association documents, the Clubhouse (Unit 108) is a general common element for the use and benefit of every owner in the complex. The residential owners were asked to vote last spring to indicate if they wanted to change it from a general common element to a residential common element. Fourteen of the fifteen ballots returned by mail were in favour of changing the status.

As long as the commercial owner continues to pay a portion of the Clubhouse expenses and it remains a general common element, the commercial tenants must be allowed access. If it is changed to a residential common element, then only residential owners and guests would be allowed access and the commercial owner would not have to pay any portion of the expenses. Currently the commercial owner pays 13% of the expenses. If the residential owners take over this portion of the expenses, it would equate to an increase of approximately \$2.50/unit/month. Mike Kerrigan commented that the previous commercial tenants never asked for keys.

Wayne McCorkel made a motion to initiate the process to change the Declarations to reclassify the Clubhouse as a residential common element. Irene Bindrich seconded and the motion carried with owners of and proxies for Units 201, 214, 303, 302, 107, 306, 106, 202, 203, 208, 307, 101, 301, 104, 103 and 111 in favour, Units 314 and 315 opposed and Unit 102 abstaining.

D. Update on the Commercial Property

Jack Terrill said he and his partners had explored conversion of the restaurant space to three residential condominium units. The town, however, was not supportive because residential units would not generate sales tax revenue. Mike Kerrigan noted there was a lot of empty commercial space at the north end of Main Street.

Mike Kerrigan commented that the old sign for the restaurant was not attractive. Jack Terrill said he was sure that any new business will be required by the town to install a new sign.

E. Garage Ceiling in West Building

The leaks in the garage ceiling have been located and the ceiling has been patched. There are some issues with the adjacent deck; there is a sagging area which causes

water to flow toward the drywall. Once that problem has been addressed, it can be patched and the garage ceiling closed up.

Jack Terrill said he had a contractor look at the issue. The contractor drilled 1” holes about 3” out from the walls at the lowest point to allow the water to drain. He was not sure if it was limited or general common element. Paul Sakiewicz said there was a contradiction in the Declarations on this point. Every adjacent deck is supposed to be a limited common element but this one is not so specified because it was added after the fact as a tenant improvement. Paul said once the deck is fixed the Association could vote on including it as a limited common element so the Association has control. He pointed out if this was done, the Association would also have to pay for repairs.

Wayne McCorkel made a motion to initiate the process to change the Declarations to identify the restaurant deck as a commercial limited common element once all necessary repairs have been completed. Jack Terrill seconded. In discussion, Mike Kerrigan pointed out the liability insurance should name the Association as a co-insured party. The motion carried with one abstaining. Jack Terrill said the Association should retain the right to review all activity.

IX. NEW BUSINESS

A. Changing the Wood Stairs to Carpet

Carpet on the stairs would reduce foot traffic noise. An owner commented that carpet would not be in character with the complex and would be more expensive to maintain. A motion was made to repair the wooden stairs and not to install carpet. The motion was seconded and carried unanimously.

B. Window and Door Trim

Mike Kerrigan said there were two units out of compliance; they have white frames around the windows and/or doors. Jim Schneider said he had written letters to the two owners. One owner has responded but he has not heard from the second.

Mike Kerrigan made a motion to require painting of any out of compliance trim by June 30, 2008 or the Association will have it painted and bill the owner. Paul Sakiewicz seconded and the motion carried unanimously.

X. ELECTION OF MANAGERS

The terms of Jim Schneider and Paul Sakiewicz expired. They both indicated their willingness to serve additional terms. Jack Terrill made a motion to nominate both incumbents. The motion was seconded. A motion was made to nominate Jack Terrill and he accepted the nomination. A motion was made to elect the three candidates by acclamation. The motion was seconded and carried.

XI. SET NEXT MEETING DATE

The next Annual Meeting was scheduled for January 17, 2009 at 3:00 p.m.

XII. ADJOURNMENT

A homeowner recognized the Basic Property Management staff, the other owners and the Board for their efforts on the Association's behalf.

With no further business a motion was made and seconded to adjourn the meeting at 7:45 p.m.

Approved By: _____ Date: _____
Board Member Approval