

**EAST BAY CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
JULY 2, 2005
Dillon, Colorado**

Owners present were:

Robert and Carol Faust, 106	Bob and Louise Watson, 112
Handler Smith and Leslie High-Smith, 201	L.E. Bourne and Rita Yaroush, 203
Elaine McCoach, 205	Deanna Speer, 209
Gary and Janice Kugel, 210	Dale Clark and Theresa Hydock, 212
Bruce and Lisa Rice, 105	

With nine units represented in person and six proxies received, a quorum was reached.

Representing Summit Resort Group were Peter Schutz and Bernie Romero. Erika Krainz transcribed the minutes from tape.

* * * * *

I. CALL TO ORDER

The meeting was called to order at 9:00 a.m.

II. MANAGEMENT TRANSITION

Peter Schutz introduced Bernie Romero, the Property Manager. He reviewed the history of his management company. He sold Columbine Management to ResortQuest in 1998 and worked for the company for over six years. After numerous corporate changes, he approached ResortQuest about taking back the Dillon and Frisco business and ResortQuest agreed. He then merged with Summit Resort Group to form a small, locally owned and controlled company. They manage ten condominium associations, sixty-five short term rental units, twenty long term rentals and have six real estate brokers. He thanked the owners for the opportunity to work with them again.

III. APPROVE PREVIOUS MEETING MINUTES

Rita Yaroush made a motion to approve the minutes of the 2004 Annual Meeting as presented. Bob Faust seconded and the motion carried.

IV. FINANCIAL REPORT

A. 2004 Year-End Financial Status

The Association ended the year with income of \$5, against a budgeted income of \$84. Significant variances were in Water/Sewer, Utilities were over budget due to usage and rate increases. Landscaping ended the year ahead of budget due to volunteer work by owners. The Clubhouse spa cover had to be replaced last year and put the account over budget. The Contingency Fund was not fully spent. The Repair and Maintenance account was over budget due to work on the driveway and garage ceiling patching.

B. 2005 Year-to-Date Financial Status

Six months ago the cash balance was about \$25,000 and it is about the same at the present time. The net profit year-to-date is -\$69. The Association had budgeted to spend more by now but it has not happened due to the timing of some projects. Insurance is usually paid in two installments over the course of the entire year but both installments have already been paid, causing the account to be over budget. Repair and Maintenance is currently under budget. Water/Sewer are over budget as is Common Area Utilities due to higher rates. The Contingency of \$5,000 has not yet been spent.

From the \$25,000 cash balance \$15,000 is in a liquid t-bill account earning about 3%.

V. MANAGER'S REPORT

Peter Schutz said the short term rental business had shifted dramatically since 9/11. He is working on a program for owners who want to rent on their own. He provided a handout describing the program. He has developed a fee schedule for checking guests in, inspecting the unit post departure and for credit card processing. If owners want to give portions of time to the rental program, he will do that at 20% commission plus cleaning and linen charges. It is a new prototype model, but management companies are starting to pay attention to it.

VI. OLD BUSINESS

A. Carpet

The carpet was just cleaned but there are still a lot of stains. An owner noted the external exposed landing looked worse than the other areas. All the carpet will probably need to be replaced within the next six to twelve months, after the next ski season. Peter Schutz will get a bid to replace the landing only.

B. Fireplace Inspections

Peter Schutz said he took on the task of following up on all the repair notices after the last inspection by Chim Chimnee. There are a couple of owners who had the repairs done on their own or had a second opinion on the inspection. He said he was concerned about the contractor being aggressive in his recommendations. The Association needs to pay attention to life and safety issues in the building, so he will contact the three owners who did not pass inspection and have not responded to him. He will push them to get the repairs done or to get a second opinion inspection. In the future, Chim Chimnee will not be used to provide the inspection service. Peter said he would do what the regulatory environment requires him to do.

VII. NEW BUSINESS

A. Kayak Hooks

There is still one slot left for kayak storage in the garage.

B. Pet Pick-Up Bags

The bag system is working well.

C. Garage Drainage

An owner said the water was not draining properly in the garage. The drain might need to be cleaned out. (Who will take care of this)?

D. Wireless Internet Access

The Board would like to bring wireless DSL into the building. The plan is to install it in the Clubhouse. It will cost about \$500 for the equipment. There will be additional equipment required to bring the signal into each unit. This would be an owner expense. A phone line will be run into the boiler room and a converter installed. The booster capability that will be needed is unknown at this point, but it would need to be located somewhere toward the middle of the building. The order for the DSL line will be placed on Tuesday. An owner mentioned that there were frequent leaks in the garage ceiling, so it might not be a good idea to install the booster in the garage ceiling.

E. Firewood Stacking

Owners were asked not to stack firewood higher than the railing or where it would obstruct a neighbor's view.

F. Deck Staining

The decks were stained last year and the Board is planning to do them every other year. There is stain available in the shed for any owners who would like to touch up their decks. It is recommended that areas be sanded before re-staining.

G. Owner Work Days

An owner proposed planting the flowers a little later in the season. The flowers by the sign are not doing very well. One problem is the matting under the bark, which makes it hard to dig holes. The owner thought there should be more than one day of planting. The mat should be removed and mulch added to enrich the soil. The work day will be scheduled for June 17, 2006, one week later than it was this year. There was discussion about establishing a gardening committee to oversee all work. An owner suggested hiring a crew to maintain the landscaping throughout the summer, but it was noted the Association may not have the funding to do so. Peter Schutz asked for consensus on how the front bed should be handled, i.e. remove the weed barrier and add compost. This project would be done in the fall. The committee would be asked to develop a plan for the new planting. Peter did not think it was necessary to hire a crew in the fall, but did recommend hiring a professional to prune the large willow bush. The owners agreed to plan for a work day in the fall to address the flower bed. If there is not enough owner interest, a crew will be hired to do the work.

H. Gas Line Installation

An owner asked if anything had been done about bringing gas to the building. Peter Schutz said he had an old bid from Colorado Comfort at the office. There would have to be one main meter and a meter for each unit. The owners would have to read their own meters monthly. The cost estimate last January was \$900/unit. An engineering consultant would have to be hired and there would be additional bookkeeping as well. Ultimately, the idea was tabled due to the expense and complexity. Peter provided a Plan B. He said another Association did a Special Assessment for the piping to each unit. Any owners who wanted to participate had to buy their own appliance and pay for the installation. He would recommend one sub-meter. A formula would be used to charge participating owners for the gas usage. This would eliminate the need for monthly reading. The charge would be allocated once annually to reduce bookkeeping. The biggest issue would be the aesthetics due to the exposed piping on the exterior of the building. In a show of hands, three owners indicated they would be interested in gas. An owner wondered if gas fireplaces would increase the resale value. Peter said some owners preferred gas, some wood. He did not anticipate there would be a wood burning ban enacted in the near future. An owner was concerned about the fire hazard presented by wood stacked on the decks. Peter responded there has been an annual loss prevention survey done by the insurance agency and they had not identified this as a hazard.

VIII. ADJOURNMENT

With no further business, the meeting was adjourned at 11:30 a.m.

Approved By: _____
Board Member Signature

Date: _____