

**CORRAL AT BRECKENRIDGE ASSOCIATION  
EXECUTIVE BOARD MEETING  
APRIL 17, 2010  
Breckenridge, Colorado**

**I. CALL TO ORDER**

The meeting was called to order by Ada Anderson at 8:08 a.m. via teleconference.

Board members participating were:

Ada Anderson, President	Dennis Ziemann, Vice President
Gary Duffens, Treasurer	Larry Miller, Secretary
Terry Lee, Member	Geoffrey Forman, Member

Owners present were:

Gene Warrington	George Grill
TJ and Beth Faye, 205E	

Representing ResortQuest was Andee Johnson. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

**II. VERIFICATION OF NOTICE AND DETERMINATION OF QUORUM**

Notice of the meeting was sent in accordance with the Bylaws. With six Board members participating a quorum was reached.

**III. APPROVE PREVIOUS MEETING MINUTES**

The Board members confirmed they had reviewed the December 5, 2009 Board Meeting minutes and did not have any revisions.

Board actions taken with a Special Meeting included:

1. January 19, 2010 – There was a motion to extend Gene Warrington’s contract.
2. February 14, 2010 – There was a motion to self-manage the Corral.
3. March 15, 2010 – There was a motion to extend Gene Warrington’s contract to help with self-management.
4. March 15, 2010 – There was a motion regarding the new Corral bank account.

Larry Miller made a motion to approve the December 5, 2009 Board Meeting minutes and the Board actions with a Special Meeting listed above. Geoffrey Forman seconded and the motion carried.

**IV. TREASURER’S REPORT**

- A. *Review February 28, 2010 Financials and Year-to-Date Financials*  
Gary Duffens reported that as of February 28, 2010 the Association was operating with a \$71,000 positive variance. The surplus was due to a number of factors including the property reopening later than originally scheduled and the loss of on-

site management staffing. Several accounts were under budget including Professional Fees, Gas, Electric, Maintenance, Snow Removal, Fire Safety and Contingency.

Dennis Ziemann made a motion to approve the Financial Report as presented. Geoffrey Forman seconded and the motion carried.

Terry Lee noted that the current price for natural gas was around \$4/decatherm; he recommended locking the rate soon for 2011. Ada Anderson commented that the current contract ran until December.

*B. Review of Settlement Accounts*

Gary Duffens said he had done a reconciliation of the expenses for the reconstruction the report from Gene Warrington matched, given that Gene's report did not include any allowances for taxes or revenues. There is \$161,900 in the account, with a little more than in March because an owner paid for some concrete work to extend his deck.

The only other discrepancy is the \$50,000 transfer from the settlement account to the new Operating account. As of yesterday the balance was \$20,474 including checks that were written.

A total of \$4,977,768.59 has been spent from the settlement funds to date. Almost \$100,000 was earned in interest after taxes. Gene Warrington is forecasting additional expenses of just over \$20,000, which will leave a balance of about \$140,000.

*C. Approval of Reserve Expenses*

The Board needed to approve the Reserve expense for replacement of the Taco pump with a Grundfos pump in the West building on 3/12/10 for \$3,435. Dennis Ziemann made a motion to approve the expense. Larry Miller seconded and the motion carried.

**V. MANAGING AGENT'S REPORT**

Andee Johnson said her main focus for the past five months has been managing the reconstruction project.

*A. Completed Projects*

1. The South snowmelt control module was not firing correctly. It was being turned on manually until Gary Lane identified a problem with the pilot light that was the result of the dust and dirt in the mechanical room.
2. The East hot tub slab was not functioning. It has been repaired.
3. Installed a new pump and bleeder valve for the hot tub so it can be filled from the hot water tank instead of with cold water from the hose.
4. Turned off the heat tape and snowmelt systems.

5. There is still noise from a pump in 102S even after turning off the snowmelt boiler. This noise has existed since construction of the building but the owner is very upset about the potential effect on his resale value. Efforts continue to identify the source of the noise. If the pumps are mounted on the wall, it may be possible to move them to a rack and to add more insulation.

*B. Projects in Progress*

1. The water in the East building will be shut down 4/20/10 starting at 10:00 a.m. for about four hours for re-piping of some areas.
2. Apex will be doing testing in all buildings on 6/9/10. Notices have been sent to owners by email and will be posted around the property.
3. The management transition has begun.
4. Sunrise Lawn & Landscape will do the standard landscaping and RA Nelson will be back to do more landscaping this summer.
5. The fire Sprinkler and backflow inspections should be scheduled.
6. The hot tub contract is still with Jake at \$800/month but Andee anticipated he would be increasing the fee to \$900. He is the only contractor in the county who will do daily openings. The contract renews 12/31/10. It may be possible to have the daily water testing and balancing done in-house by someone with the proper certification (CPO), which can be obtained by taking a two-day course.
7. There were ongoing checks of one of the walkways at the East building by Unit 301E where the snowmelt system was not working properly and water accumulated. Most of the gutters have been sealed but the Board should make sure that all heat tape issues are addressed.
8. There is a leak in the boiler system somewhere between the East and West buildings. It may be possible to locate the leaks when the old concrete is removed. A helium test would be about \$3,000. RA Nelson provided a revised bid of \$49,504 including mechanicals.

Andee Johnson was thanked for her work during the toughest time in history for the Association.

**VI. OLD BUSINESS**

*A. C1 & C2 Update*

Dennis Ziemann said there had not been any new developments. The lowest price offered by the owner was \$210,000 and the highest offer by the Association was \$175,000. Dennis Ziemann made a motion to officially close this issue. The motion was seconded and carried. Ada Anderson commented that the front window of the office was now covered with a woven wood shade and it looked very nice.

A letter was sent to all owners about the plan to self-manage and to use the lobby as the base of operations. An owner emailed the Board that self-management was a good idea but questioned legality of using the lobby space. Ada Anderson said it had been reviewed by an attorney who provided a letter stating it was legal. Larry Miller

noted that any emails to all owners should be sent as blind copies to eliminate the ability to email a response using "Reply All".

*B. Security System*

Terry Lee said the security system discussed in a previous meeting was never acted upon. In the meantime Larry Miller contracted to have an alarm system installed in the lobby. A heavy-duty commercial grade gate was also installed on the landing of the stairs from the basement to the lobby. It is open during the day but it can be secured at night. Terry Lee did not think it was necessary at this point to install any additional security cameras, unless there are future incidents of vandalism. Terry Lee made a motion to officially close this issue. The motion was seconded and carried.

*C. Reserve Study Review*

Ada Anderson said the Board contracted with "Reserve Advisors" out of Milwaukee to create a Reserve Study. The initial Study they provided was clearly a boilerplate Study, referencing another project in Minnesota throughout, and had numerous other inaccuracies. The company agreed to redo the Study and sent someone out to the property in January. The new report is better but still has a number of problems.

According to the Study, the Association should be contributing \$152,000 to the Replacement Fund this year, equating to \$189/unit/month. The current contribution is about \$47/unit/month. The Study needs additional revisions. Gary Duffens said the Study seemed to indicate that the contribution needed to be increased in order to adequately fund future replacements. Terry Lee said it was important for resales for the Association to have a Reserve Study and to follow the recommendations for funding it. Terry did not feel that the projected figure for the year 2039 was accurate and therefore the annual contributions needed to get to that amount were also incorrect. He recommended asking the company to reexamine the figures. Ada Anderson said the current budget anticipated that the excess funds from the reconstruction would be transferred to the Replacement Fund, thereby enabling the Association to skip monthly contributions this year. The Board will also need to decide how to invest the funds.

Ada Anderson suggested making adjustments to the expected life of some of the elements. The Board has six months to provide revisions to Reserve Advisors. She will spend time on the assumptions with Gene Warrington before the next Board meeting in August.

*D. Amendment Checklist/Questionnaire*

Andee Johnson said the Board had been working with Wayne Brown on changes related to self-management. Hindman Sanchez was in the process of developing a checklist for the Board that clearly defines Association versus homeowner responsibilities and sent a 20 page list of questions to get the process started. Andee asked if the Board wanted to continue with this project. Andee said she had answered the straightforward questions on the questionnaire that were based on the

governing documents but there are other questions that will require Board input. The Board agreed the work being done by Wayne Brown was sufficiently different and that they should work with Hindman Sanchez on the questionnaire. Andee will distribute it to the Board for review and the Board can schedule a conference call with Hindman Sanchez. Terry Lee noted that Wayne Brown would be enforcing the policies created by Hindman Sanchez. He wondered if it would be prudent to have the policies created and enforced by the same attorney. Andee said Hindman Sanchez specialized in creating these types of policies in compliance with Senate Bills 100/89. Hindman Sanchez will be charging on an hourly basis.

*E. Construction Update*

Gene Warrington provided an update. A spring punchlist has been created. The work mostly entails finishing the landscaping and a few modifications on the building including some hot tub electrical wiring and railing work. He authorized an additional expense of \$20,000 for more heat tape to eliminate ice dam issues. Andee noted that a gate and flagstones were added for 103W and should be added to the report. Twelve units are being billed for RA Nelson's subcontractor work to bring the hot tub electrical systems to code. This expense will likely carry over to the new management period due to delay in payments from the hot tub owners.

One unresolved issue is the units with hot tubs have a light outside on the deck; the lights had to be removed due to new code requirements. The most obvious solution to meet all code does not make sense because will not provide adequate light and it will be very expensive.

Terry Lee asked the concrete replacement could be put off for another year. Gene Warrington said it was a complicated issue. One of the boilers is losing pressure and Gary Lane has been asked to try to locate the source of the problem. There is currently water instead of glycol in the system, which is creating a continued danger of deposits building up in the boiler. Some units do not have heat in part of the living room. The leak needs to be located and repaired. If it is under the broken concrete, the concrete replacement will need to be accelerated. Otherwise, it should be tabled until the fall at the earliest. The cost is estimated to be around \$50,000 assuming there will be some insufficient subsoil that has to be removed and replaced.

**VII. NEW BUSINESS**

*A. Budget Plan*

The Board agreed they would take care of developing the budget for next year and ResortQuest does not have to provide a preliminary budget.

*B. Management Transition Information*

Information about the management transition and how dues will be paid will be sent to the owners in the next Association newsletter from the Board.

C. *Unit Delinquency*

There was general discussion about a delinquent owner and the process for filing a lien and proceeding to foreclosure if necessary.

**VIII. OPEN DISCUSSION FROM THE FLOOR**

A. *Reserve Study*

TJ Faye requested a copy of the Reserve Study. The Board agreed it could be distributed after it has been revised to address the inaccuracies.

**IX. SET NEXT MEETING DATE**

The Board agreed to change the next Board and Annual Meetings from August 14, 2010 to August 7, 2010 with the Board Meeting at 9:00 a.m. and the Annual Meeting at 10:00 a.m. Andee Johnson will notify the owners of the date change by email.

**X. EXECUTIVE SESSION**

The Board recessed to Executive Session at 10:00 a.m. to discuss self-management issues.

**XI. ADJOURNMENT**

The meeting was adjourned at [REDACTED].

Approved By: \_\_\_\_\_  
Board Member Signature

Date: \_\_\_\_\_