

**STORM MEADOWS 300-400 CONDOMINIUM ASSOCIATION
ANNUAL MEETING
AUGUST 8, 2008**

I. CALL TO ORDER

Linda Kibler, as acting Board President, called the meeting of the Storm Meadows 300-400 Condominium Association to order at 5:00 pm on Friday, August 8, 2008 at the Resort Group Building conference room in Steamboat Springs, Colorado.

II. ROLL CALL

Members present were as follows:

Name	Unit Number
Linda Kibler *	352
John * and Mary Strayer	448
Greg * and Anne Marie Geib	445
Greg Schmitz *	343
John (JD) Leonard *	425
Joseph Sobin	456
Norm and Jan Thomson	435
Art Markey	321
Peter Humphrey	312,427,446
Steven Cox	458
Wendy Allen	332

Members Represented by Proxy were as follows:

Name	Unit Number	Proxy Given To
Carolyn Corigan	353	Steven Gadbois
Euro-Tech Corporation	344	Peter Humphrey
CDRS Partnership	354	John Leonard
Don Hutchins	416	Linda Kibler
Eugene Carver	455	Steven Gadbois
Arthur Tan	341	Steven Gadbois
Taylor, James, McDonald	313	Steven Gadbois
Eugene Doddridge	428	Linda Kibler
Josephine Geier	418	Peter Humphrey
Michael Benteen	324	Steven Gadbois
Angelo Napolitano	457	Linda Kibler

Ed Wilhite	437	John Strayer
Linnette Noffsinger	342	Linda Kibler
Bert Svendsen	333	Steven Gadbois
Mem Tierce	351	Michelle Ouimet

With members present and proxies submitted, a quorum was established.

Representing Mountain Resorts were: Steve Frasier, President; Larry Mashaw, Vice President of Marketing, The Resort Group; Tom Chaney, Property Manager and Steven Gadbois, Owner Representative.

III. APPROVAL OF MINUTES

It was **moved** and seconded to approve the minutes of the August 6, 2007 association meeting with the following correction: "Owners present, but not included in the previous annual meeting minutes, were Norm and Jan Thomson, SM 435 and Mary Strayer, SM 448. The motion passed with no dissenting votes.

IV. MANAGEMENT REPORT

Steve Frasier presented the following management report.

INTRODUCTION

The following is a summary of the more significant improvements or repairs that have been performed since the August 6, 2007 association meeting:

- A major plumbing leak from the shower manifold inside the wall adjacent to unit #426 was repaired. This lead to the 1st floor common area ceiling being textured and refinished due to significant water damage.
- The remaining common area stairwell oak balusters were installed.
- The stucco improvements and painting on the slope side carport walls were completed.
- The elevator in the 400 building was repaired following a hydraulic system failure.
- New bear-proof trash containers were installed to properly comply with the City of Steamboat Springs local ordinance.
- Parking lot lines and necessary handicap accessible parking spaces were identified.
- The 400 building sauna main relay system was repaired.

ITEMS OF NOTE

Storm Meadows East Redevelopment Update – The Storm Meadows East association voted recently to pursue redevelopment of their property together with a developer. The developer has moved forward in pursuing the approval process with the city and plans to demolish the existing building in the fall of 2009 if all goes according to plan.

Storm Meadows Greenbelt – The original seven Storm Meadows associations collectively own the rights to a tract of unimproved land which abuts all the Storm Meadows associations. The original developer deeded this land to the associations jointly for the stated purpose of common enjoyment and encumbered this land to be prohibited from development. Lately, there have been several issues relative to this land that the association should be aware. Some of upper Storm Meadows Drive lays over a portion of this greenbelt land. The city plows this section, but has gone on record that any repair and maintenance must be addressed by the Storm Meadows owners. There are also several beetle kill trees located on this greenbelt area. It is costly to remove these trees and the city has recently petitioned the greenbelt owners to do so. Finally, Storm Meadows East may be impacting this land or requesting variances to accomplish their remodel. As no formal entity currently exists to govern the greenbelt area, issues related to this area are very difficult to address. We recommend the association consider participating in a governing body for the greenbelt area.

Insurance Process – There are two types of insurance claims that might impact a condominium owner, a common area damage claim or a damage claim within their individual unit. Attached to this report is an informational piece designed to address both of these often-misunderstood processes.

High Speed Internet – All Storm Meadows associations offer this service as part of their amenity package with the exception of Storm Meadows 300/400 as owners did not want the service. The association has considered this option in the past and decided against it. Should that philosophy change, several options are available to provide this service.

Steamboatowners.com – If you have not been to this site in a while, please take a few moments to visit the new and expanded version. It still contains access to your association's governing documents and meeting minutes but now also features:

- News, announcements, board member rosters and meeting notices relative to your particular association.
- Direct access to the reservations department for on-line reservation requests.
- A "Frequently Asked Questions" section relative to the nightly rental program (The FAQ site will be expanded to include other topics by October.)
- Links to your owner representative, real estate information and the Steamboat Pilot.

PROJECTED OPERATING BUDGET (October 2007 through September 2008)

October 1, 2007 Balance	169,603
Reserve Assessment	50,000
Reserve Expenditures	(22,476)
Operating Surplus/(Deficit)	<u>1,241</u>
Estimated September 30 Balance	\$218,707

Reserve expenditures already occurred or currently scheduled include:

Trash bins and parking stripes	\$1,165
Plumbing repairs	\$3,744
400 Bldg. ceiling repairs	\$1,136
Stairwell balusters	\$7,725
Stucco improvements	\$6,551
Unforeseen repairs	\$2,750
Sauna repairs-400 Bldg.	<u>\$542</u>
Total	\$22,476

RESERVES AND CAPITAL PROJECTS SCHEDULE

Those projects currently scheduled to occur in the coming fiscal year include:

- An exterior painting project for both buildings was postponed last year and appears on the current year's schedule.
- Fascia and door trim
- Asphalt sealing

Mountain Resorts will await direction from the board of directors before arranging any projects.

This concludes the report of the managing agent. Mountain Resorts appreciates your business and is sincerely grateful for the opportunity to manage the Storm Meadows 300/400 Condominiums.

Insurance Review

Given that ownership at any condominium property steadily changes, it is prudent to review occasionally matters of insurance, thus, the following overview:

Who is Generally Responsible for What When Water Damage Occurs in Condominium Properties Located in the *State of Colorado*:

During an occurrence of water damage in properties comprised of stacked condominiums, damage often occurs in the 1.) unit interior where the source of the leak occurred, 2. common area elements adjacent to that unit (such as drywall and substructure), and 3.) adjacent units' interiors (usually those immediately below); and, *unless there is negligence involved*, unit owners are responsible for repairing the damage to their particular unit interiors and the association is responsible for all common area repairs.

Typically, the insurance companies representing the various parties research the extent of the damage, determine the degree to which negligence may be involved and establish whose coverage will address which portion. This process is often very time consuming. Once a final decision is reached, reimbursement checks (less the appropriate deductibles) are generated for the insured parties. Reimbursement usually occurs well after the repairs have been completed and the vendors who performed the repairs have been paid.

Owners should always read and understand the insurance section of their association's governing documents.

The Association's Insurance Policy and Loss Assessment Coverage

About five years ago, the association purchased an insurance policy that contains a \$25,000 deductible for instances of water damage and a \$5,000 deductible for other claims. Although the water damage deductible is high, alternative policies with lower deductibles have consistently included unacceptably high premiums. Accordingly, it is very important for all owners to be aware that:

1. The association would likely conduct a special assessment were a sizable instance of common area water damage to occur that did not meet the deductible.
2. Owners can protect themselves from special assessments due to common area damage by having ***Loss Assessment Coverage*** in their condominium insurance policies.
3. ***Loss Assessment Coverage*** usually covers \$1,000 per occurrence and is a common provision in most condominium insurance policies. It is not, however, a common provision if a unit is being insured through an extension of an owner's primary homeowner's policy. (Owners are strongly encouraged to consider the added coverages that are included in a "condominium policy" rather than a rider to their primary homeowner's coverage. Such policies often provide more thorough protection at reasonable rates.)

4. All owners should check their insurance coverage to confirm that this provision is included; and, those who do not have *Loss Assessment Coverage* are strongly advised to purchase it immediately. It is not expensive to obtain.
5. An independent adjuster can be hired to assist if claim issues arise in an occurrence that does not meet the \$25,000 deductible.

At the conclusion of the management report, Larry Mashaw presented a brief overview of local rental market trends and an update on community issues and the new developments on the mountain and in town.

V. OLD BUSINESS

Clarification of Board Positions - John Strayer clarified that, for personal reasons, he has resigned his position as the President of the Board of Directors, but would remain on the board as a member-at-large.

VI. NEW BUSINESS

Internet Services – There was general discussion regarding high speed internet service specific to the importance of having this service in rental units, companies offering these services such as Comcast, Resort Broadband and now Qwest, and reiteration by the board that high speed internet service was not mandated by the association, but was at the owner’s option and expense. Management was asked to research the availability of a non-secured high speed cable or satellite service. The board will send owners a questionnaire requesting their opinions and the level of interest about high speed internet service.

Roof Heat Tape – The issue of ice falling from the roof was discussed as it is every so often for over 30 years. Mountain Resorts suggested a demonstration of heat tape to help alleviate the problem. John Strayer reported that four years ago Mountain Resorts did apply a test of heat tape for one snow season and determined not enough improvement was noticed to proceed further. After discussion the Board agreed to again install heat tape to one section of the roof of SM400 for one ski season as a test in order to determine the effectiveness. It was moved and seconded to install heat tape to one section of the roof of the 400 building for the 2008/2009 ski season in order to further determine if heat tape was needed at both buildings. After general discussion, the motion was amended to cap the expense for this project at \$6,000. The motion passed with no dissenting votes.

Greenbelt Update – The board offered a brief history of the entity known as “the Greenbelt”. The association jointly owns this land with six other Storm Meadows properties. There was general agreement to the notion that the association would participate in a master association for this area.

Capital Projects

- *Exterior doors* - The exterior doors on the slope side of the building will be replaced in 2008-2009.
- *Wood surrounds on decks* – Deterioration was noted on the vertical “fascia” sections of the unit decks. Management was asked to solicit bids to replace them, including options to use a metal drip edge as cladding or installing a synthetic wood product. It was **moved** and seconded to approve this action. The motion passed with no dissenting votes.
- *Asphalt seal* – The board recommended tabling the resealing of the driveway this fiscal year. It was **moved** and seconded to approve this action. The motion passed with no dissenting votes.

Other Matters of Note

Hot Tub Area Improvements – There was discussion regarding problems with the concrete decking that surrounds the hot tub. After recommending a series of solutions for this problem, management was asked to secure bids to replace the hot tub, the hot tub decking, and to add a small roof structure over the benches in the hot tub area. It was **moved** and seconded to approve this action. The motion passed unanimously.

Interior Stairwell Walls – Management was asked to secure bids to complete the plaster and trawling of the stairwell walls and to convey the bids to the board. It was **moved** and seconded to approve this action. The motion passed with no dissenting votes.

Outside Beams – There was concern expressed that the ends of the roof beams were showing evidence of rotting. The board explained that what may appear to be rotting wood was actually only the dark color of the stain applied to the beams showing through the white paint. Management was asked to paint these areas.

Tree Removal Request – An owner reported that a clump of aspens trees currently block his line of sight and requested to have them removed. The board will take this request under advisement.

Shuttle Service – Owners discussed the possibility of providing winter shuttle service for grocery runs during the evening hours 3 p.m. to 6 p.m. Management will investigate whether it would be possible to combine this request with a similar request by the Storm Meadows I association shuttle service, noting costs could be shared. Management suggested that an outside vendor such as Alpine Taxi might be the best option to provide this service.

VII. APPROVAL OF THE BUDGET

It was **moved** and seconded to approve the 2008/2009 Operating Budget as submitted. The motion passed with no dissenting votes.

VIII. ELECTION OF DIRECTORS

The terms of Greg Geib and John Leonard expired as of this meeting. These incumbents were the only nominations from the floor and they were re-elected by acclamation.

As of the conclusion of this meeting, the board was comprised as follows:

Linda Kibler	Term expires 2009
Greg Schmitz	Term expires 2009
John Strayer	Term expires 2010
John Leonard	Term expires 2011
Greg Geib	Term expires 2011

IX. ADJOURNMENT

It was moved and seconded to adjourn the meeting at 7:06 p.m.

Recorded and submitted by,

Steven D. Gadbois
Owner Representative
Mountain Resorts

**STORM MEADOWS 300-400 CONDOMINIUM ASSOCIATION
BOARD OF DIRECTOR MEETING MINUTES
AUGUST 8, 2008**

I. CALL TO ORDER

Linda Kibler, Board President, called the meeting of the Storm Meadows 300-400 Condominium Association to order at 7 p.m. on Friday, August 8, 2008 at The Resort Group Building conference room in Steamboat Springs, Colorado.

II. ROLL CALL

<u>Members present were as follows:</u>	<u>Unit Number</u>
Linda Kibler	352
John Strayer	448
John (J.D. Leonard)	425
Greg Geib	445
Greg Schmitz	343

III. BOARD POSITIONS

The board ratified John Strayer's request earlier in the year to step down as president, but remain on the board. It was subsequently **moved** and seconded to establish the board positions as follows:

John Strayer	President
Greg Geib	Vice President
Linda Kibler	Secretary/Treasurer
John (J.D.) Leonard	Member At Large
Greg Schmitz	Member At Large

The motion passed with no dissenting votes.

IV. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Linda Kibler
Secretary/Treasurer