

Shadow Mountain Townhome Association

Annual Homeowners' Meeting

Wednesday, February 3, 2010
3:00 p.m.

Aspen Square Condominium Hotel Conference Room
617 E. Cooper Avenue, Aspen, Colorado

I. Call to Order

Mr. Michael Mizen called the meeting to order at 3:05 p.m. on February 3, 2010.

II. Roll Call

Unit No.	Attend	Proxy	Proxy to
1 - Prunskis		9.83%	Biel
2 - Hang Ten	4.51%		
3 - Kabert	4.51%		
4 - Peacock	4.51%		
5 - Klindworth	4.51%		
6 - Klindworth	4.51%		
7 - Ellis			
8 - Pinniger		4.51%	Klindworth
9 - Kaufman		4.51%	Klindworth
10 - Gilbert	4.51%		
11 - Leonard-Peck			
12 - Brown			
13 - Carroccio	4.51%		
14 - Tucker	4.51%		
15 - Seelbach/Mizen	4.51%		
16 - Mendel		4.51%	Biel
17 - Stone	4.51%		
18 - Harvey			
19 - Cope/Ryan-Douglas	4.51%		
20 - Washington		4.51%	Biel
21 - Biel	4.51%		

Total by type	54.1%	27.86%
Total Represented		81.97%

Also present were Mr. Rick Borkovec and Mr. Lee Sullivan of Borkovec Management LLC, Mrs. Susan Spalding of Spalding Management Services, and Mr. Mickey Spalding, recorder. Mr. John Wilkinson of Neil-Garing Agency attended the meeting in order to make an insurance presentation.

III. Proof of Notice

Mrs. Spalding indicated that notice of the meeting had been e-mailed or sent via U.S. Mail on January 4, 2010. There was no disagreement.

IV. Approval of Minutes

Mrs. Peggy Mizen made a motion to approve the minutes of the February 4, 2009 Annual meeting and of the August 11, 2009 Special meeting; Mr. Bob Peacock seconded the motion. All were in favor.

V. Management Company Reports

A. Financial Report

1. Year Ended 10/31/09 Financial Statements

Mrs. Spalding gave the financial report for the year ended October 31, 2009 for the Association, which was included in the meeting packet. She noted the operating expenses totaled \$287,422 for the year, which was \$31,978 under budget. Owners were assessed \$317,000 for operating expenses. The Association had an operating surplus of \$32,033 for the year, which was left in the Operating account as was allowed for by the IRS.

Mrs. Spalding noted that Administration Expenses were under budget \$18,129 due to legal costs coming in under budget by \$24,540. She told the owners that the Board had budgeted for potential legal issues with the neighborhood development, but those issues had not arisen.

Mrs. Spalding noted that Maintenance Expenses were under budget given that \$29,100 was budgeted for snow removal but only \$16,215 was spent. The roof was shoveled in February 2009 but Rick and Lee were able to keep the cost down.

2. Verification of Bank Balances

Mrs. Spalding referred the owners to the letter from Reese Henry & Co. on page 24 of the meeting packet wherein they had verified the bank balances for the Association, which they prepared in conjunction with completing the Association's tax returns for the year ended October 31, 2009.

3. Approved Budget for Year Ending 10/31/10

Mrs. Spalding reviewed the budget as presented in the packet. She stated that the budgeted operating assessments total \$294,000 for the year ending October 31, 2010, which represents a decrease of \$23,000 from the prior year. She told the owners that the Board voted to keep the capital reserve assessment at \$36,000 for the fiscal year. Mrs. Mizen made a motion to adopt the budget as presented for the year ending October 31, 2010. Mr. Peacock seconded. All were in favor.

4. Capital Reserve Study

Mrs. Spalding deferred discussion of the Capital Reserve Study until the New Business portion of the meeting.

5. Insurance Renewal – John Wilkinson

Mr. Mizen reminded the owners that they are responsible for the interior coverage for their units. He encouraged them to contact their insurance agents to make sure they are adequately insured.

Mr. John Wilkinson of Neil-Garing Agency, the Association's insurance agent, reminded the owners that the Association's policy provides "bare walls" coverage and that owners need to insure their improvements and furnishings. He also encouraged owners to have loss of use and or loss of rental income coverage for their units. He reminded owners that they need liability coverage for the interior of their units. He then proceeded to explain the various types of coverage that are in place for the Association, which was outlined in the meeting packet.

Mrs. Stone, owner of Unit 17, asked about demolition coverage of an owner's interior if an undamaged unit has to be torn down. Mr. Wilkinson said he would check on it, but that the coverage should be provided by the individual owner's insurance policy.

He encouraged the Board to ask the neighborhood developers to have insurance in place against building subsidence naming the Association on the policies, and to explore the possibility of the developers posting a bond to that effect.

B. Property Management Report

Mr. Borkovec referred the owners to the property manager's report included in the meeting packet. He highlighted the rewiring work that had been done on the tram, the replacement of the pool heat exchanger, and the furnace checks for all units. He reminded the owners that the Association is paying for an annual furnace check and clean, but that individual unit owners are responsible for any other repairs that are needed and for communicating this to their property managers.

Mr. Sullivan asked the owners to remind their renters or property management companies to make sure the Carbon Monoxide detectors are not unplugged.

Mr. Borkovec reported on the energy audit that was done last winter. He said that owners could consider installing insulated shades in their units, and that he was looking at installing timers for the heat tapes. He encouraged owners to consider installing energy efficient appliances during remodels.

He had also looked into the cost of installing individual gas and electric meters to the units. The cost for gas meters would be approximately \$100,000; the cost for electric meters would be between \$60,000 and \$80,000.

Mr. Borkovec told the owners that he had looked into installing a complex-wide fire alarm system, and that the Fire Marshall said he would require a commercial-grade system, which would cost \$250,000 to \$300,000. Mr. Borkovec will investigate the cost of individual owners purchasing their own systems.

Mr. Borkovec is looking into the cost of installing water leak and low temperature devices in all units.

Mr. Borkovec announced that he and his wife will be going into fulltime Christian ministry in the fall, and that he is working to ensure a seamless transition with whoever takes over his company.

The owners were unanimous in complementing Lee and Rick on the excellent work they are doing at Shadow Mountain.

VI. President's Report

Mr. Mizen told the owners that the Board has been looking into the neighborhood development issues. He said the Board has three main areas of concern for the property: tram, stabilization, and water pressure. The Board is looking at maintenance and replacement options for the tram. Stabilization is the cornerstone of other projects, including water pressure improvements. He expressed thanks to the other Board members for their expertise and assistance over the past year.

VII. Old Business

A. Revision of Rules & Regulations

Mr. Mizen informed the owners that the Board had adopted Revised Rules & Regulations, which were included in the meeting packet. He said that the one car per unit in the parking lot rule will be enforced, such that if owners are leaving a car stored on the lot, and others use their unit (e.g., for rental) the person must park on the street. He asked Mr. Sullivan to get owners a permit for one car per unit in the lot.

He also noted that the Revised Rules & Regulations require owners with barbeque grills on their decks to have a working fire extinguisher on the deck as well.

B. Neighborhood Development

Mr. Dierking reported that the election regarding development of South Aspen Street did not occur in May of 2009. He said that he is in touch with both sets of developers and continues to look out for the interests of the Shadow Mountain owners. He said he was concerned about the possibility of losing five parking spaces from the Shadow Mountain lot should development proceed. Mr. Dierking told the owners that the Association may need to engage legal counsel to help protect our interests in the event that negotiations break down.

C. Water Pressure Improvements

Mr. Mizen said that water pressure improvements will be looked at in conjunction with stabilizing the building.

D. Stabilization Monitoring

Mr. Mizen informed the owners that three inclinometers had been installed on the property and were being monitored quarterly by an engineering firm for earth movement given the project next door.

E. Using e-mail and the Internet to communicate

Mr. Mizen encouraged owners to continue communicating via e-mail.

F. Other

Mr. Biel reminded the owners that given the change in the Declaration the cost to maintain the limited common element decks is the responsibility of the owners that enjoy the use of the decks.

VIII. New Business

A. Capital Reserve Study

Mrs. Spalding told the owners that the Board had engaged the services of a professional Capital Reserve specialist to determine what the reserve contributions of the property should be. The specialist recommended that the 2010 capital reserve contribution total \$36,000, which is the assessment amount. She noted that the tram, stabilization, and water pressure projects were not included in the scope of the study.

B. Common Element Improvements

Mr. Mizen noted that Rick and Lee continue to work on improving the common elements of the property.

C. HDTV

Mr. Mizen directed the owners' attention to information in the meeting packet as to how they can obtain HDTV boxes for their units from Comcast.

D. Resolution Remembering M. Mark Mendel

Mr. Mizen directed the owners' attention to the information in the meeting packet about the life of Mark Mendel. He told the owners that the Board had purchased the commemorative bench near the barbeque deck in Mark's memory. Mrs. Mizen made a motion to recognize the leadership and contribution of Mark over many years. Mr. Cope seconded the motion. All were in favor.

E. 45th Season of Shadow Mountain

Mrs. Mizen and Mr. Peacock shared memories of the first years at Shadow Mountain given that this is its 45th season of existence.

F. Preferred Vendors

Mr. Tucker asked that the Owners List be updated to include suggested vendors for the property. Mrs. Spalding said she would work with Mr. Borkovec to do so.

G. Pool Temperature

Mr. Prunskis requested that the Board consider lowering the pool temperature. The Board said they will consider it.

H. Building Maintenance Items

Mrs. Stone asked about the steps near unit 17, which appear to be crooked. Mr. Mizen said he will ask Jon Burnett to look into what it would take to repair them.

Mr. Tucker asked that the stucco near unit 14 be examined as it appears to be chipping.

Mr. Mizen informed the owners that Jon Burnett is retiring after he completes the deck work for Unit 17 this spring. Mr. Mizen made a motion to express the Association's appreciation for the work done by Mr. Burnett. Mrs. Carroccio seconded the motion. All were in favor except for Tim Tucker.

IX. Approval of the Actions of the Board of Managers

Mrs. Mizen made a motion to approve the actions of the Board of Managers. Mr. Peacock seconded the motion. All were in favor.

X. Election of Board Members

Mr. Tucker made a motion to re-elect all six of the current Board Members. Mr. Peacock seconded the motion. The slate included Michael Mizen, Alex Biel, Don Gilbert, Todd Klindworth, Chrissy Carroccio, and Bruce Dierking. All were in favor.

XI. Set Time and Date of Next Meeting

Mr. Mizen stated that the next Annual Owners' Meeting will be held on Wednesday, February 9, 2011 at 3:00 p.m., with the Board Meeting taking place the day before.

XII. Adjournment

Mr. Mizen adjourned the meeting at 6:25 p.m. All were in favor.