

Minutes
Silver Queen West Condominium Association
Annual Meeting
October 27, 2012

Greeting by Association President. Doug Foote, the Association President, called the meeting to order at 9:07AM. There were 44 owners in attendance representing 35 units. Proxies received represented ten units. By the voting designation of unit size, 44.4% of the units were represented meeting the 10% quorum requirement.

Approval of minutes. *The minutes from the October 29, 2011 annual meeting were unanimously approved as written.*

2013 & 2014 building restoration. Board member and restoration committee chairman, David Necker updated the ownership of the restoration status. A special meeting was held on June 15, 2012 to present the concept drawings and material samples. The design and materials were favorably received by the ownership. David provided a brief summary of the 2013 work focusing on the studio areas of Buildings C and D with a budget of \$250,000. Currently, work is proceeding on the Phase 1 working drawings. The drawings were scheduled to be 95% completed by early December and placed for bid by contractors in January 2013. There appeared to be substantial interest from numerous contractors for bidding on both the Phase 1 and Phase 2 restoration. The Phase 1 work was scheduled to start in April 2013, weather permitting. The restoration work would be done during normal construction working hours and the units would be secured at night. The units can be occupied during the construction period. Due to timing and cost, it was decided not to do a "test" unit this summer. Some of the higher cost materials, such as windows, were being bid with quoted costs effective through the 2014 Phase 2 restoration. The allocation of costs was approximately equal between materials and labor. The design work for Phase 2 has been budgeted at \$50,000 or less. The studio entry doors were part of the restoration budget to replace. The west side entry doors in other units are not part of the original budget, but have been requested by a number of owners. It is currently considered the first add option of the project. Another option being investigated is the installation of gas lines for fireplaces in the future. As both are part of the Phase 2 work, additional owner input will be requested as the project costs are confirmed. The exterior skin of the building will include stucco, synthetic shingles, and corrugated metal. Samples of the shingles and color options are currently displayed on the north side of Building D. The materials selected are based on fire resistance, long life, and limited maintenance. The materials and color pallet have been preliminarily approved by the architectural review committee for Wildernest. David Necker was complimented by those attending for his work on the restoration.

Financial Report. Bob Polich from Mountain Systems presented the financial report. 2012 was the first year for SQW on a calendar year fiscal budget. The meeting information included the financial summary through September 2012, a projected 2012 year-end, and the 2013 budget. The 2013 assessments are unchanged from 2012. The assessment payment options are a prepayment option with a 5% discount, ACH automatic bank withdrawal, and check. Credit cards are not offered due to the fees imposed. The 2012 operating expenses are expected to be at budget and will be about \$6,000 less than spending in 2011. Boiler costs were higher in 2012 from a replacement of one water storage tank and completion of the boiler installation in Buildings A and B to meet current building codes. The higher legal costs reflect enforcement of the covenants. Utility costs

were under budget and under the prior year costs. The financial information includes a replacement reserve schedule for future replacement of roofs, boilers and the parking lots. The 2013 budget reflects a deficit for the design costs that will be recovered with the 2014 revenues. The association cash flow and available line of credit will allow the one year deficit. The budget was approved at the October 2, 2012 meeting of the Board of Directors. The final cost of the restoration work will be a factor in the determination of future year assessments. The reserve fund contribution currently is 28% of the regular assessments. The reserve fund contribution may decrease in future years, but operating expenses are expected to be subject to cost of living increases. Owners were reminded the Phase 2 restoration work is funded by a special assessment due by March 31, 2014. A financing plan was communicated to owners in 2012.

Property operations. Tom Brennan, Property Manager, provided a summary of operations for the year. Tom indicated the 2011 truck and the backhoe were working well. Tom anticipated obtaining a plow blade for the backhoe and selling the old 1978 plow truck. The focus of work around the project in 2012 was water and sewer lines, ventilation changes, and added insulation in the crawlspace areas. Painting was limited to hand rails. All fireplaces were checked. The roofs were inspected and are in good condition. The grounds area between Building B and Building C was improved and seedling trees from the nursery area planted throughout the grounds. The new boiler and drainage systems installed in 2010 are operating better than anticipated. There was a discussion regarding electrical panels in the individual units that were considered a safety hazard. There have not been any prior problems with the electrical panels at SQW. The Board of Directors will be considering the best options to upgrade the panels. Some owners have previously replaced the panel as it is within the unit and an owner item. Owners are reminded to contact Tom prior to any unit repairs or improvements to insure you or your contractor are aware of the location of the heat systems and other structural items. A suggestion was made to require a deposit to protect the building from damage. Every owner should have an HO6 policy to cover their unit contents, master policy deductible, and liability. Tom checks the batteries in the smoke detectors annually. Owners are encouraged to add CO detectors or replace the smoke detectors with combination models in their units. The owners attending thanked Tom and Karen for their work.

Other. There was a discussion regarding replacing the tennis court with open space or a storage area for owners. A portion of the tennis court was outside of the property line. The option of restoring the tennis court for use was mentioned.

A concern was raised regarding an exterior heater used on a balcony that an owner felt was too close to the walls and upper deck wood structure. The Board has investigated the heater, understand the concerns, and will take appropriate action.

The Association has a contract with Comcast providing cable TV at a reduced cost basis. Other services, such as internet, are available individually from Comcast, or at a reduced cost if installed in all units. There was a discussion regarding other options that could be considered when the contract with Comcast renews.

Board of Director Election. There were two positions open on the Board of Directors. *Nominated and elected to the Board unanimously were Doug Foote (Unit 7137) and David Necker (Unit 7116).*

The Annual meeting was adjourned at 10:43 AM.