



RECORD OF PROCEEDINGS

OBERMEYER PLACE CONDOMINIUM ASSOCIATION

- Held:** 5:30 pm on Wednesday, November 11, 2009
Held at the Offices of Beach Resource Management, Aspen, CO
- Call to Order:** Dir. Ramos called the meeting to order at 5:36 pm and a quorum of Directors was present.
- The following Directors were present:
- Wally Obermeyer, President, via conference call
Walther Ramos, Treasurer
Steve Seyffert, Secretary
- Gary L. Beach, Manager
Landis Greathouse, Assistant Manager/Recording Secretary
Jim Korpela, Board Consultant
Adrian Ceja, Operations Manager
- Approval of August 4, 2009 Minutes:** Dir. Ramos asked for a motion to approve the August 4, 2009 meeting minutes.
- Motion:** Dir. Seyffert moved and Dir. Ramos seconded the motion to approve the minutes of the meeting. Being no discussion, Dir. Ramos called for a vote and the motion passed by unanimous voice vote.
- Board Review Of Proposed 2010 Budget:** Dir. Ramos opened the discussion of the proposed 2010 budget by asking if the other Board members had any questions. Dir. Seyffert asked if the proposed carry forward amount is based on what is anticipated for 2010? Dir. Ramos replied that yes, the \$79,863.00 proposed carry forward is an anticipated amount but that figure usually improves as the Board tends to be more conservative in projecting expenses. Between now and the end of the year the HOA will likely end up with a little more cash. Mr. Beach added that those funds will be rolled over into next year, either into reserves or capital projects, however the Board decides. He also pointed out that in 2009 some of the carry forward has been spent down due to some owners not

paying their dues and the HOA has expended funds to try and collect these dues. Dir. Seyffert asked if a "bad debt" line item should be added to reflect these costs? Mr. Beach explained that if a bank forecloses on a unit, by law they can collect up to 6 months of outstanding assessments. If there is enough equity in the unit, they may be able to recover full amount in arrears. The Board could add the line item for uncollectable assessments but it might send bad message to other homeowners.

The discussion turned to the Ski Service Center (SSC). Dir. Ramos reported that since the Association has filed a lien on the SSC, and there does not appear to be a lender involved, we are first in line to take over the property should we pursue foreclosure. Mr. Ceja reported that he spoke to Mr. Liebowitz who told him that while he would not be paying outstanding assessments, he would move forward and pay upcoming assessments. The shop is open and conducting business and there have been reports that Mr. Liebowitz is interested in opening another shop in Snowmass Village. Mr. Beach stated that he has exchanged phone messages with Mr. Liebowitz and would like to further a discussion to determine what payment plans he might have. Dir. Obermeyer asked if there is any benefit to notifying the bank when a lien is filed or if pursuing a foreclosure? Mr. Beach replied that management does that and it typically will have a positive effect with the bank requiring payment of association dues. Some lenders are now requiring that funds be placed in escrow to cover assessments.

Dir. Ramos pointed out that the \$15,000.00 reduction in income to assume uncollectable assessments already serves as the bad debt line item. Dir. Seyffert asked how much in arrears the Association is due to outstanding assessments? Dir. Ramos replied that the actual amount for 2009 is \$21,000.00. Mr. Beach added that if those amounts are collected, the carry forward amount will increase. Dir. Ramos pointed out that there is a variance in mechanical from 2009 to 2010 which helps offset the budget. Mr. Beach added that there is the potential to collect \$25,000.00 from RA Nelson by end of 2009 or early 2010 but that has not been reflected in the budget. Dir. Obermeyer added that he could try to work with Sport Obermeyer's CFO to push that through by 12/31/09.

Dir. Seyffert asked about expenses and revenues related to covenant enforcement who on staff is responsible for enforcement? Mr. Beach replied that Mr. Ceja, Mr. Beach and Ms. Greathouse are collectively responsible for enforcement although issues have generally been minor and are usually solved with a call or letter. Ms. Greathouse stated that there is added benefit with having Mr. Ceja on site as he is able to respond quickly and efficiently to issues.

Mr. Seyffert asked about the billing mistake on the recent invoice and Mr. Beach replied that the error was corrected, a review of the past several months was undertaken and the error resulted in a credit to the HOA. Mr. Beach thanked Dir. Seyffert for his close scrutiny of invoices.

Dir. Seyffert asked if the legal line item and increased amount is necessary to pursue liens given that there is an increase in accounting for that purpose. Mr. Beach replied that this issue had been discussed and given that the future is unknown it was thought best to leave the amount there and if it is not used, it will roll over into next year. But, he added the contingency fund was removed so the legal could be perceived as contingency for “unknown” as well. Mr. Ramos stated that he would like to pursue foreclosure against SSC since the shop is operating, and the action should force him to pay. Mr. Beach agreed that if the HOA forecloses and if the unit has the equity we believe it has, the Association could recoup all amounts owed. Dir. Seyffert stated that he is skeptical of that action and feels that SSC will sell to get out of situation. He may also have other resources to count on. Mr. Beach replied that 90% of the time an owner will find a way to pay when threatened with foreclosure. The cost to foreclose can be up to \$5,000.00 which includes all filings with the County.

Dir. Seyffert stated that he feels the projected legal expense is high but he is okay with operational budget overall. He went on to say that he would like to see some special projects on the capital expenditures for energy efficiency such as solar panels. He is aware that the City is interested in using the OP roof for solar panels. He would like to look at amending the legal expense and re-allocating some of those funds towards an energy audit. Mr. Beach replied that the HOA has had a discrepancy in its electricity costs and is trying to get the City to re-check the meter and sign off on accuracy of the meter in writing. Mr. Korpela added that an electrical test was conducted on 11/11/09 that determined that all the common elements appear to be running through the common meter. Nothing else appears to be unusual but something in the metering appears to be off. Mr. Beach stated that he does not want the HOA to get caught in a legal situation where there are on the hook for outstanding electrical usage that may be a result of a meter error.

Mr. Korpela stated that OPCA has been approached by the City for a solar cooperative and they would like to speak to the Board about installing panels. They will likely want the roof space donated by the Association. Mr. Beach suggested that the legal line item can be reduced and a portion re-allocated as a “green” line item with the understanding that if necessary, funds may be moved again during the year. Dir. Seyffert pointed out that he would like to see the capital projects be more progressive and looking towards the future. Mr. Beach suggested that the proposed \$15,000 line item for legal be allocated as \$5,000 for legal; \$5,000 for an energy study; and \$5,000 for contingency. Dir. Seyffert agreed that if the energy study is not used it can be rolled over into next year.

Dir. Ramos asked the Board to agree to the 3% increase in assessments and to agree to the capital reserve funding as proposed. He added that the HOA may be able to continue for another year without increased the assessments but it has been 3 years since an increase and he felt it was appropriate to stabilize the HOA’s revenues. Dir. Seyffert agreed that it would be a better practice than larger periodic increases. He added that it is important to

continue to fund the capital reserves to stay healthy. Dir. Ramos pointed out that relative to other associations, OPCA still has fairly low assessments and if the budget is in a good position next year, we may be able to contain expenses and forego an increase.

Motion: Dir. Seyffert moved and Dir. Ramos seconded to approve the proposed 2010 budget with the discussed changes. The motion passed unanimously by voice vote.

**Discussion of
Warranty &
Settlement:**

Mr. Korpela opened the discussion on the warranty and settlement by stating that the details relating to the snowmelt system have been provided to RA Nelson as requested. The \$25,000 settlement offer has been accepted by RA Nelson as well as the extended warranty for the snowmelt. Hopefully, the Association will receive the settlement funds by the end of this year.

**Discussion of
Controls Systems:**

Mr. Korpela reported that up to 75% of the OPTO 22 system modules and hardware have been installed. The operating system has been installed with software and some of programming has begun. Testing for the heating will begin over the next 2 weeks. The cooling/chiller element of the system will not be installed until later. Mr. Beach added that the new system is running parallel with the existing system to ensure that the project will not be without heating. Dir. Ramos replied that he wants to make sure that the old system is not terminated until Beach is positive the new system is functioning properly.

Mr. Beach explained that 2 failed ABB variable frequency drives have been replaced by Yaskowa drive which will deliver more efficient capacity. The new VFDs are currently running well. Mr. Korpela added that with the hard drive issues with the boilers, the HOA would not keep the repaired ABB drives as back-up and instead will replace them with new Yaskowas. He went on to say that the first phase of the new system should be up by the annual meeting. Beach staff should be able to control and balance the heating more efficiently as they will have an automated system instead of the poorly performing manually operated aquastat. Dir. Ramos asked if by next summer we will be able to install the additional heat exchanger? Mr. Beach replied that we should have that ability but may no longer have a need. In addition with technology and equipment being improved at such a fast pace there may be an even be a newer, more efficient method or equipment available by then.

Future Meeting: A discussion ensued regarding setting the date for the annual members meeting and the meeting location. Mr. Beach suggested holding the meeting at the Rio Grande Room. The Board agreed to schedule the meeting for Monday, December 28th, 2009. Email confirmation would be provided by Ms. Greathouse and annual notices will be sent to the Association. Dir. Ramos requested to work with Ms. Greathouse on the annual notice letter in order to describe some of the budget highlights.

Discussion of Elections:

A brief discussion occurred regarding the Board of Directors elections that will be conducted at the annual meeting. The By-Laws were reviewed to determine the election process. Ms. Greathouse is to provide confirmation of seat vacancies for the upcoming election.

Adjournment

Upon a motion made by Dir. Ramos, and seconded by Dir. Seyffert, the meeting was adjourned at 6:56 pm, by unanimous voice vote.

The foregoing minutes constitute a true and correct copy of the above-referred meeting and the Executive Board of the Obermeyer Place Condominium Association approved said minutes on the date below.

Gary L. Beach, Manager
Obermeyer Place Condominium Association

Date of Approval

Seal: