

**BEAVER BENCH CONDOMINIUM OWNERS ASSOCIATION  
BOARD OF DIRECTORS**

Thursday, Feb. 19, 2009

Location: Small Conference Room, Avon Library

**Record of Proceedings**

I. Roll call at 5 p.m. Present are:

Stephen Wood — President  
Kenny Baughman — Vice President  
Doris Bailey — Secretary  
Beth Wilkinson — Treasurer (*available by phone*)  
Ramie Macioce — Member at large (*available by phone*)  
Shawn Primmer — Property Manager

II. Verification of a quorum.

III. Approval of Minutes from June 4, 2008.

IV. Officer/Committee Reports

A: President's report — Stephen informs the Board that according to 2008 year-end financials compiled by Vail Tax & Accounting — and thanks to the Board's and the Property Manager's prudent spending practices — the Association has 15 percent more money in the bank compared to this time last year, with total assets up 26 percent.

B: Treasurer's report — Stephen reads the Board an e-mail from Beth thanking him for his "attentive efforts" in keeping the Association's expenditures "reasonable in a time of such increasing costs."

VI. Old business:

A: Insurance — In his efforts to work with an insurance agent to find alternatives to the Association's current Allstate policy through Talbot Intermountain Insurance — which costs \$21,000 per year — Shawn informs the Board of a new Farmers policy being drafted by agent Allison Parrish if Hub International with similar coverage quoted at \$7,995 per year. The difference, Shawn says, comes from the Property effectively being "over-insured" due to actions by a previous BBCOA Board of Directors that overvalued the cost of reconstructing the A and B buildings in case of a major disaster. Pending completion of two line items, the new policy should be available for signing and implementation, Shawn says, with the remaining, prorated premium from the Allstate policy refunded. The Board approves the new policy, pending completion of the two line items. The conversation then moves to a scenario discussed by the Board last year that would provide natural gas to every Unit and the option for Owners to have their wood-burning fireplaces replaced with energy-efficient gas fireplaces with

remote-control thermostats — the primary motivation for the project being to save money on insurance. The Board agrees that with the new Farmers policy, the financial incentives are far less, and the gas fireplace project — while still a “no brainer” in better economic times — is no longer a priority.

#### B. Capitol improvements

1. Storage shed — Stephen and Shawn inform the Board the aging shed was demolished and removed from the Property last year — instead of reconstructed — saving a considerable amount of money in light of the fact the Association really had no need of a storage facility in the first place.
2. Outdoor lighting — Shawn informs the Board of Avon’s new “Dark Sky Preservation Initiative,” which aims “to reduce light trespass beyond property lines.” The ordinance requires all outdoor lights at the Beaver Bench to be replaced with new, downcast fixtures, by Nov. 17, 2009.
3. Projects list — The Board agrees to revise the existing list of high-priority capital improvement projects as follows:
  - 1 — Outdoor lighting.
  - 2 — Retaining walls, B Building, and throughout the Property.
  - 3 — Steps on the west end of the B Building.
  - 4 — Stairwells in both buildings.
  - 5 — A French Drain from the main parking lot.
  - 6 — Sidewalks throughout the property.

Shawn agrees to seek bids on items 1-4 for review at the next Board meeting, with hopes of getting started on them this spring.

C. Overdue assessment payments — The Board discusses its options to further pursue collection of delinquent dues payments from Owners of three Units (A12, B8 and B12) totaling nearly \$12,400, as of Jan. 30. Shawn advises the Board the Owner of one of those Units has multiple mortgages and advises against pursuing foreclosure, as the Association would have to get in line behind the banks for payment at a time when the Unit may be worth less than the total of the mortgages. The only recourse the Association has is filing liens, which was done last year, he says.

Doris says she will research ownership records on the three Units to see on which, if any, foreclosure may be worth pursuing.

The Board agrees the Association’s quarterly billing practices may be a contributing factor to some Owners’ finding themselves delinquent on assessment payments. Stephen says he will discuss having VTA issue statements monthly, instead.

#### VII. New Business

A. Reserve Study — The Board approves the first draft of the Reserve Study conducted by Castle Rock-based Aspen Reserve Specialties, pending some minor changes. Stephen says he will have the company make those changes for a final version of the study.

The Board discusses the study's finding the Association's financial status — “approximately 10% funded of ideal” — “weak” and its recommendations the Board take the following actions to bring reserves to an “ideal” level (100% funded):

- Additional, regular dues assessments for a dedicated “Reserve Allocation” fund (\$2,800/month total, or ±\$64/Unit/month) with 4.5% annual increases.
- (2) \$44,000 Special Assessments (\$1,000/Unit) in 2009 and 2010.
- An additional \$22,000 (\$500/Unit) Special Assessment in 2111.

Doris urges her fellow Directors to consider the recent economic climate before raising dues or special assessing the Associations members.

The Board cannot agree on what percentage of the company's “ideal” reserve funding should be a goal for the Association to strive for, nor how a financial plan can be implemented to achieve. No action is taken.

B: Proposed 2009 Budget — As a result of the discussion above, the Board is unable to approve Beth's proposed 2009 Budget, which includes a 5-percent increase in quarterly assessments to cover rising costs. Stephen adds that in a phone conversation with Beth before the meeting she revised her suggested increase in dues from 5 to 8 percent.

VII. Schedule next meeting — The Board agrees to meet again after the upcoming Annual Meeting on March 14.

VIII. Adjournment at 8 p.m.