

**THE SUMMIT RESIDENTIAL OWNERS ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
July 11, 2006
3:00 pm MDST**

Board Members Present: Pat McNamar
Beverly Baker
Fred Hallett

Board Members present by Telephone:
Don Baker
Ian Fisher

Owners present in person: Pete & Cindy Chamberland
Phil Price
Craig Batchelor
Travis Morrison

Owners present by telephone: Richard Harper
Kim Meyer
Christine Smith

Management Company Present, Reed Meredith

Others Present by Telephone: Jon Schumacher, Cliggett & Associates

The meeting was called to order at 3:05pm. A quorum was established with all Board Members present. Proof of notice was submitted as being sent on June 13, 2006.

The following motion was made and seconded:

MOTION: To approve and accept the previous minutes from the Board meetings held January 24, 2006 and May 26, 2006.
The motion was unanimously approved.

Beverly Baker asked the board members if they had any reports at this time. Hearing none, Reed Meredith presented the manager's report. Meredith reported that the June 30th financial statements showed total assets of \$124,166.59 and total liabilities of \$10,607.54

The June 30, 2006 Profit & Loss statement shows that the association's operating costs for the first 6 months are running favorable to budget by \$2987.96. Meredith pointed out that the legal expenses to date, totaling \$26,943.79, are the main overage in the 6 month budget, noting that the total budget for the year is \$30,000.00.

The current accounts receivable report shows that 4 Summit lots are in arrears. These include lots:

18 - \$1709.68
35 - \$447.98
36 - \$7404.68
38 - \$1550.00

Discussion ensued regarding the delinquent accounts. Lot 36 has been liened by the association. Discussion ensued regarding the costs involved with proceeding to foreclosure. Jon Schumacher indicated that the association costs to proceed to foreclosure would be less than \$5000.00. Fred Hallett noted that the association's attorney fees could be included in the foreclosure.

After discussion, the following motion was made and seconded:

MOTION: to instruct the Summit attorney to prepare a motion to foreclose on lot 35, to be voted on at the next board meeting.

Vote: unanimous approval.

Beverly Baker then began a discussion of the progress of negotiations with Nevada Ridge.

Beverly reported that the Summit board recently had a conference with Nevada Ridge and CBMR to discuss the remaining issues. The result of this call was that the summit board decided to proceed with filing of a suit against Nevada Ridge last Wednesday. The suit for declaratory judgment, asks the court to define the rights of the parties involved in this issue.

At the Town of Mt. Crested Butte's Planning Commission meeting last Wednesday, the Town deferred the decision on the NR final plan approval, instructing Nevada Ridge to work out the issues with the Summit.

There are 2 existing easements on the Nevada Ridge parcel, retained in the 1999 sale, in favor of CBMR. One easement is known as the serpentine easement, which runs from a point near the hairpin turn on Summit Road, on the southern border of the Nevada Parcel, then east and north through the Nevada Parcel. CBMR retained the right in this easement, and the right to move it elsewhere within the Nevada Ridge parcel, in the future by mutual agreement. The other easement right CBMR retained, is a 40

foot wide easement adjacent to Summit road right of way next to the Summit hairpin turn. CBMR has previously offered to let the Summit use this easement as an invitee for skier access. This easement only shows up in the general warranty deed transferring the property from CBMR to the Georgia partners in 1999.

Travis Morrison asked if the resort (CBMR) should have some responsibility in this issue and if the Summit has any recourse against CBMR? Beverly Baker responded that the problem is that in land law, if you haven't got something written down you have a difficult case. The Summit board feels that we have an equitable and legal claim for skier access and we will continue to fight for this outcome.

Fred Hallett stated that the Summit board believes that the agreement that NR has previously signed with the Summit is binding, and will ultimately give the Summit adequate skier access. He continued that technically, many will not be able to ski directly from their homes, you will have to walk across the road etc.

Phil Price noted that 5 months ago prior to his purchase of Summit lot 22, he had a discussion with town of Mt CB staff, who indicated that he felt that the access agreement was a "done deal" in the eyes of the town. It was because of this assurance from the town that that Mr. Price purchased his lot.

Beverly Baker asked for any other comments from the owners present and on the telephone.

Don Baker stated that because of the attorney client privilege, the board is limited in what information they can share with the owners at this time.

New Business:

Fred began a discussion of increasing the Summit landscaping requirements to 50% more than the current requirements of the town of Mt CB, and a requirement that Summit owners maintain that level of landscaping after the home is built. Discussion ensued and the board decided to defer the issue until the January annual meeting so that the board could obtain more input from owners on this issue.

The following motion was made and seconded:

MOTION: To include revision of the Summit requirements for landscaping on the next owners meeting agenda, with the possibility of increasing requirements to 150% of the town's requirements.

Vote: unanimous approval.

Chris Smith asked about requiring Nevada Ridge to move the existing rock retaining walls and irrigation at the Summit entry during their construction. Fred Hallett responded that Nevada Ridge is obligated to move the existing Summit sign and to move the existing boulders.

Chris Smith asked if the purchase price for the skier access easement land would change if Nevada Ridge changed the size of the easement. Beverly Baker responded that the entire strip, as originally drafted, is to be sold to the Summit.

The following motion was made and seconded:

MOTION: to adjourn the public portion of the Summit board meeting and move into board executive session for the purpose of discussing the Nevada Ridge litigation, possible defense of litigation filed by Summit owner Don Meyer against the board, and possible litigation against the Summit developer.

Vote : unanimous approval.

The following motion was made and seconded:

MOTION: to return to the regular board meeting.

Vote: Unanimous Approval

The following motion was made and seconded:

Motion: to defer billing of the previously approved \$150,000 special assessment of the owners until a definitive agreement with Nevada Ridge is reached. The Board directs the manager to hold any checks received for payment of the assessment until further notice.

Vote: Unanimous Approval.

There being no further business, the meeting was adjourned at 4:55pm.

Respectfully Submitted,

Accepted By,

signed copy on file
Reed Meredith, Recording Secretary

signed copy on file
Beverly Baker, President, The Summit Owners Association Board of Directors