

**THE SUMMIT RESIDENTIAL OWNERS ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
July 14, 2010
3:00pm MDST**

Board Members Present: Pat McNamar
Pete Chamberland
Richard Harper

Board Members present by Telephone: Fred Hallett
Don Baker

Management Company Present: Reed Meredith, Evergreen Management Inc.

The board meeting was called to order at 3:05pm. A quorum was established with 5 of 5 Board Members present in person or by telephone.

The following motion was made and seconded:

MOTION: To approve the minutes of the Summit Board meeting held January 14, 2010 as submitted.

Vote: Unanimous Approval

Reed Meredith of Evergreen Management Inc. presented the manager's report at this time as follows:

The June 30th Balance Sheet shows total assets of \$119,391.75 and Total Liabilities of \$21,849.82. The Profit & Loss Statement shows that the association's operating expenses for the first 6 months of 2010 are running favorably to budget by \$4,834.29. While all other line items are running favorably to budget, it is important to note that the Legal line item is over budget by \$325.56. The annual legal budget of \$2,400.00 has been surpassed and it is likely that this line item will continue to increase depending upon the legal work undertaken by the association. However, we would expect that the association's operating expenses will continue within budget and, barring any unforeseen or unplanned operating expenditures, the association should complete 2010 within the approved budget.

Status of Liens: Per the direction of Pat McNamar, Liens against Summit lots 6 & 9, and Nevada Ridge LLC have been updated with the Gunnison County Clerks office for the current amounts due at June 30, 2010.

Lot 6: \$1,008.29

Lot 9: \$3,684.53

Nevada Ridge: \$4,226.00

Discussion with Attorney Jon Schumacher regarding the association's ability to foreclose on the properties for the lien amounts. Schumacher indicates that actually foreclosing on the property could be more expensive than what the association is due. The association would have to file a lawsuit for non-payment. He recommends that Cliggett & Associates send a demand letter indicating that the association could proceed to foreclosure if not paid within 30 days.

Status of Prepaid Assessment for Lot 16 & 11: Attorney Jon Schumacher has recently indicated that the association has received the appropriate consent letters, releasing the escrowed funds (\$8,571.43) held on lot 16. Schumacher recommends sending a letter and check to the former owner, Mr. Frates. Schumacher also informs us that he has been in contact with the current owner of lot 11, Chuck Kearns, concerning the escrowed funds held by the association on this account (\$3,571.42). Mr. Kearns responded that he needed to confer with his partners before consenting to release of the escrowed funds back to the former owner, Cale Properties. As we have not heard back from Mr. Kearns, I have instructed Jon Schumacher to contact him again to ascertain the status of his consent.

Insurance Liability Coverage for Skier easement Risks: Per the discussions with Crested Butte Mountain Resort, and association attorney Jon Schumacher last January, "No Trespassing" signs which informed skiers that they were leaving the ski area boundary and entering into private property were installed at the entry into the Summit Skier paths. In addition, the ski area roped off the ski area boundary to alert skiers that they were leaving the maintained ski mountain. The association carries \$7,000,000 in liability insurance, \$2,000,000 on the association policy with an additional \$5,000,000 umbrella. The association insurance agent indicates that this policy would cover and claims that the association would be found legally liable for. Lastly, Evergreen Management installed PVC poles to mark the Summit's internal skier access trails to insure that skiers could recognize and stay within the groomed trails.

Easement Documentation: Attorney Jon Schumacher has supplied association president, Pat McNamar, and Evergreen Management, with copies of the legal recordation of all skier easements. Copies of these documents were supplied to Kurt Olsen for survey purposes.

Web Site: The association website, www.summitowners.org has been updated with the most recent minutes on January 14, 2010.

Landscaping / Weed Remediation: Rocky Mountain Trees was contracted to charge the irrigation system, plant a small flower garden of perennial flowers at the entry sign, and perform minimal weeding

Of the major noxious weeds in the bottom 2 tiers of the entry area. Rocky Mountain Trees has just invoiced the association \$882.52 for these projects broken down as: \$241.00 Irrigation system work, \$333.97 entry garden planting, and \$307.55 garden care and weeding. At the direction of the association, Evergreen Management investigated alternatives to utilizing Rocky Mountain Trees for weed remediation. Our investigation resulted in the contract of JDOT Weed Control, who sprayed all of the noxious weeds on the 2 tiers and on the skier path at a cost of \$200.00. JDOT indicates that a 3-year program of spraying will eliminate the noxious weeds by the spring of 2012. They also recommend planting of a native grass mix in these areas in order to discourage weed proliferation.

Sign Lighting / Electrical Installation: CES Electrical was contracted to install new entry lighting at the re-located Summit entry sign boulder last fall. CES installed new 50 watt lights on the boulder but then ran into difficulty in locating the original electrical line which was severed with the installation of the Nevada Ridge subdivision road. To date, they have been unable to locate the service line. CES reports that they have been in contact with GCEA and there are several options at this time: 1) excavate a 700' trench from the existing electrical box, across the road and down to the sign at a cost of approximately \$6,500.00. 2) Install solar lighting at an approximate cost of \$5,300.00. 3) Install a second service transformer, meter, and electrical box adjacent to the entry sign boulder at an approximate cost of \$5,000.00.

Discussion ensued regarding the escrowed funds held on behalf of lots 11 and 16, after which the following motion was made and seconded:

MOTION: To debit the total amount of legal fees expended to date in proportion, against the funds held in escrow for lots 11 and 16 and to refund the remaining portion of such funds to the owner having placed the funds in escrow. escrowed funds. If there is additional legal cost due to lot 11, 100% of these costs are to be debited from refund amount. The board directed that the funds for lot 16 be refunded at this time and that the lot 11 funds be refunded when appropriate approval has been received.

Vote: Unanimous Approval.

Discussion took place regarding the skier easement marking and association liability. Pete Chamberland recommended that photos be taken of the boundary area, and the no trespassing signs, when they are re-installed this Fall and put in the file with a date that the photo was taken.

Richard Harper began a discussion of the minutes from the association meetings. Harper would like to have the minutes approved at the time that they go out to the membership. He suggested that the minutes sent out as "pending approval" and posted on the association website as such.

A discussion of the entry electrical service and lighting took place. Fred Hallett stated that Nevada Ridge cut the electrical line, which supplied the Summit entry sign power, when they installed the Nevada Ridge Road. This action has now required an association expenditure of \$5,000 for repair/ re-establishment of electrical service. He continued that the Summit HOA should send Nevada Ridge LLC an invoice for the resulting repair work.

The following motion was made and seconded:

MOTION: to direct attorney Jon Schumacher draft letter to Nevada Ridge asking for damages to repair the electric service at the highest CES Electric proposal cost.

Vote: Unanimous Approval.

Richard Harper asked if the changes to the association check signing policy, approved by the board in July 2009, had been incorporated and recorded as amended Bylaws for the Summit Association. The board directed that Jon Schumacher should look into and file the amended documents as necessary.

Discussion ensued regarding the Nevada Ridge project and their assumed intent to plant trees in Tract B. Previously the Summit had objected to the planting of any trees in Tract B as it is the skier access for the Summit. The town plat of Nevada Ridge, approved by the Summit, indicated that no trees would be allowed in this area. Hallett stated that any trees planted in this area would be removed by the Summit.

Discussion began regarding the association Sign Policy: The clean-up of old realtor signs, etc. needs to take place. Under the current association covenants, any sign has to be pre-approved by ACC. Pete Chamberland stated that he believed that as long as a real estate listing is active, a sign should be allowed. Don Baker stated that he would rather set up a system whereby realtor signs are automatically approved as long as they meet certain requirements. Richard Harper suggested that the association manager should administrate the approval of real estate signs, approving any sign which meets certain requirements, and to monitor the signs. Evergreen was directed to identify what lots currently have signs, notify any real estate companies if the sign is falling over, remnants of signs (posts) need to be removed within 30 days. Anything other than a real estate sign has to be pre-approved by the ACC.

Fred Hallett asked if the Summit buy/sell contract binds Nevada Ridge and its' homeowners when they take over from the developer. Hallett would like to authorize attorney Jon Schumacher to advise the association of ramifications of Nevada Ridge going to bankruptcy or an asset sale. He would like to ask Schumacher if the contract will stay in force under Colorado law under these circumstances. Does the Summit's right to ski across Nevada Ridge to the ski area continue regardless of NRLLC failure. Fred Hallett will contact Schumacher to discuss this issue and he will report back to the board.

The Summit Association Improvement review policy discussion took place at this time. The Covenants address improvements on the property, which is the area of the association covenants that would apply to "statues" or artwork displayed on individual lots. Discussion ensued regarding the statues/ decorations currently installed on lots 13 and 22.

After discussion, the following motion was made and seconded:

MOTION: to ask the owners of lots 13 and 22 to submit photographs of the existing statues/decorations to the ACC board for review and approval.

Vote: unanimous approval.

A discussion of the association Lighting Policy took place at this time. The Board directed Evergreen Management to send a letter to the owner of lot 22, indicating that the Christmas lighting on this house need to be removed.

Skier Easement Survey discussion ensued. Kurt Olsen surveyed the Summit skier easements and marked them. Pat reports that some of the poles installed have since been removed. Olsen has been asked to re-install these posts. Discussion ensued regarding the need to make the survey points permanent, mainly the 40 foot easement. Pat McNamar will meet with Pete Chamberland and Phil Chamberland to discuss possible ways to mark these easements. Evergreen Management will meet with CBMR's Mark Voegeli to discuss if there is anything else in the 40 foot strip that needs to be addressed prior to next winter to facilitate their grooming. In addition, the board would like to know if CBMR can groom in and out to the cul-de-sacs to the road. If CBMR cannot groom these entrances and exits to the Summit cul-de-sacs, JCI should be hired to do so. Board members pointed out that the town's snow plowing of the roadways often obstructs these skier access points, and that the timing of the grooming may not always coincide with the towns plowing.

Richard Harper asked if the town of Mt Crested Butte could be pressured to clean up the debris pile located on the Nevada Ridge subdivision. Pat McNamar indicated that he had spoken to Mt CB town manager Joe Fitzpatrick regarding this issue and that the town planned to remove the pile.

The board discussed the entrance to the Summit sub-division and agreed that this area was important to maintain and improve. The board discussed the possible installation of shrubs or rocks around the existing GCEA electrical transformers. GCEA will have to approve of any such installation. The board authorized Evergreen Management to obtain an estimate for installation of \$10,000 of aspens on top of the entry island, and shrubs and/or Aspen trees around transformer boxes. Installation to take place next Spring.

The following motion was made and seconded:

MOTION: to authorize the expenditure of \$6,000 of contingency funds to cover installation of electrical for sign lights and holiday lighting this summer as proposed by CES Electrical.

Vote Unanimous Approval.

The following motion was made and seconded:

MOTION: to utilize \$1,500 from contingency funds for the payment of the skier easement survey work completed by Kurt Olsen this spring.

Vote: Unanimous Approval.

The following motion was made and seconded:

MOTION: to amend the operating budget to add an additional \$2,000 for legal expenses.

Vote: Unanimous Approval

Richard Harper began a discussion of the maintenance expectations for the association manager, and presented a list of such expectations to those present. Reed Meredith reported that he believed that Evergreen Management already performed a number of the items listed and could accomplish the remaining items for the association as required.

Discussion then ensued regarding the fact that association President, Pat McNamar and Association Manager, Reed Meredith communicate frequently via telephone regarding association business. Therefore, other board members are not always aware of these conversations, and that actions have been previously discussed between the board's representative (McNamar) and the management company. The board asked that in the future such communication be via e-mail whenever possible and that McNamar then copy all such e-mails to the other board members so that the board will know what decisions have been made.

Discussion of the next board meeting date took place. The board agreed that it was too early to set a date at this time.

There being no further business, the meeting was adjourned at 6:15pm.

Respectfully Submitted,

Accepted By,

Reed Meredith, Recording Secretary

Pat McNamar, President
The Summit Owners Association Board of Directors

