

**MINUTES OF THE ANNUAL MEETING  
OF  
THE COTTAGES AT SILVER STAR HOMEOWNERS ASSOCIATION**

**December 2, 2011**

The annual meeting of The Cottages at Silver Star Homeowners Association was held on December 2, 2011 at the offices of Resorts West, 1795 Sidewinder Drive, Park City, UT.

**Attending in person:**

Steve Perkins	Silver Star Property Manager
Chris Connabee	Representing Paladin Developers
Chip Campbell	Representing Paladin Developers
James Ballstaedt	President, Resorts West
Scott Russell	Accountant, Resorts West
Ryan Braski	Accountant, Resorts West
#05	Jim Long
#39	Ricky Tichman
#39	Cindy Shearman
#41	Cheryl DeMarco

**Attending via telephone conference:**

#14	Eric Wise
#33	Todd Zaugg
#40	Alex Smith
#47	Gino Ginocchio

**Proxies:**

Proxies representing two owners were held by Jim Long.

The meeting was called to order at 3:07 PM MST by Mr. Jim Long, President of the Cottages HOA. A quorum was present.

Mr. Long reported that the Minutes of the 2010 Annual Meeting had not been included in the meeting packet distributed for today's meeting. The Minutes will be sent to owners for their review and approval.

**Financial Review:**

Financial statements for the period January 1 through September 30, 2011 were presented by Mr. Steve Perkins, Silver Star Property Manager. The review included:

- 1) Administrative – The Cottages share paid toward the Masters Budget is 34.18%, totaling \$148,000.
- 2) Supplies - the cost of supplies has been maintained in line with estimates.
- 3) Contract services exceeded budget estimates – led by landscape maintenance and snow removal expenses which were over budget by almost \$7,000. Due to the heavy snowfall last winter, snow had to be removed from many roofs.
- 4) Utilities costs have stayed even with projections.

The year to date total expense is \$9,000 over budget, \$256,000 vs. the budgeted \$247,000. Every effort will be made to reduce this deficit through the 4<sup>th</sup> quarter.

Discussion:

Mr. Long asked Mr. Perkins if some seasonal factors are included in the budget, and could the Association expect, barring some unforeseen event, to end the year reasonably close to budget for 2011. Mr. Perkins thinks that the deviation from budget will be less than \$9,000.

Mr. Ricky Tichman, owner, asked if Mr. Perkins knows what budget numbers for October and November look like yet. Mr. Perkins reported that October numbers were not finalized yet, but did not appear to reduce the deficit. He commented that savings will be realized in snow removal and thinks that we're on track to reduce the budget deficit.

Mr. Long observed that fire sprinkler repair exceeded estimates. The new budget will take those expenses into consideration since actual costs are higher than anyone anticipated. Mr. Perkins explained that the process involved with sprinkler repair is complex and the contractors expensive. The 2012 budget will reflect this.

An owner asked what the finance charges listed on the income side of \$4,361 represented.

Mr. Ryan Braski, Resorts West Accountant, explained that this reflects an accrual of finance charges assessed to owners who are delinquent on their dues. It is expected to be received.

Ms. Cheryl DeMarco, owner, asked if the labor expenses on maintenance and housekeeping were contractual. Mr. Perkins explained that the maintenance technician, and housekeeping and cleaning staff used generally for the clubhouse are employees of Resorts West as the property manager for the project. Hours worked in the Cottages are billed to the Cottages at the cost of the employee plus the burden of 15% as the agreed upon under contract. The HOA doesn't directly pay these employees taxes and workers compensation costs. These are included in burden.

Mr. Long reviewed several items discussed at the Masters HOA meeting.

The Master HOA approved the proposed 2012 budget pending a couple of modest adjustments:

- 1) The Master HOA approved a proposal to obtain bulk internet service provided through Century Link (formerly Qwest), with an average cost of about \$23 per owner per month. This would replace any current internet service (approximate cost about \$65 per month) owners may have and includes a modem. The service is 12 megabits per second, a very good level, and will provide a guaranteed service level across all Cottages and the entire Silver Star project. It is anticipated that the service will be implemented in June 2012. The Century Link bulk agreement is through the Masters Association. Cottage owners will see a dues increase beginning in June 2012 to cover the cost of this service but will not be paying the much higher out of pocket expense for their current internet service. This dues increase is not reflected in the Masters or Cottages budgets today – Cottage dues will actually be @ \$23 more per month. Owners will have the option of personally paying for additional enhanced services (similar to Direct TV).
- 2) The issue of real estate marketing for The Cottages was discussed. Discussion included a plan to deal with open houses, the appearance of preferential treatment for certain agents, signage, etc. The Master HOA has authority over these issues. The Cottages Board put a proposal before the Masters HOA for a real estate parameter that would permit a directional sign designed by Silver Star (with a look appropriate for the development) to be placed at the entry off of Three Kings whenever there was an open house. An additional directional sign would be placed at the foot of Silver Star Court. A third sign would be located in front of the specific Cottage having the open house. No other signs would be permitted. The signs would be removed each day. Real estate agents showing a Cottage property would be required to purchase the Silver Star designed signs. We will continue to pursue this proposal with the Master HOA.
- 3) The Master HOA also discussed parking congestion related to events and access to the new trailhead. A subcommittee may be appointed at a later date to review this matter. Mr. Perkins will also meet with city officials regarding this issue. Of particular concern is balancing public access vs. owners' rights.

### **Revised Reserve Study Review:**

Mr. Long observed that many owners were surprised by special assessment amount proposed in the mid-year review. The original reserve study proposed a series of \$500 annual assessments over the next 3 years and then an increase in each owner's average contribution to the special reserves to about \$5,000 per year. The two largest items included in that report were the consultant's estimates of the life span of the steel roofs and the funicular lift (each estimated at 25 yrs).

In order to give owners a more accurate report of future reserve estimated expenses, we examined the reserve analysis extremely carefully. We subsequently went back and spoke to the fabricators of the roofs, those who sell it, to the installers and to sources on the US Steel product that was used. We came away with substantial evidence that the life span of roofs (heavy duty 22 gauge steel) should be in the 50 to 75 year range. We used 50 years in our revised reserve study. Mr. Perkins consulted with the people who provided the funicular lift. They provided detailed information of the elements involved in the lift, including repair records, and estimated a projected life expectancy of 50 years also.

We also looked at other items such as wood decking which the study recommended be completely replaced in 20 years. We think if the wood is properly cared for (re-staining and repairs made as necessary), the decks will have a longer life span. Each item in the study was examined - some were left the same but for others changes were made in terms of estimated life spans. We believe we have been conservative throughout this process.

In determining a process to fund the reserves, we took into account the need to be in a good marketable position – in fair to strong shape at any point in time through the next 25 to 30 years. We concluded that the best way to fund to that position (somewhere between 50 to 70 % of required funding) would be to have a special assessment in 2012 of \$2,000 per cottage. It is expected that in 2017, it may be necessary to have another \$2,000 assessment per cottage. This issue will be revisited as we regularly reassess the reserve study – we may find additional items that have a longer than estimated life span. If deemed necessary, the 2017 assessment will be proposed in 2016.

The 2012 proposed assessment would average \$2,000 per cottage and could be paid on a quarterly basis. Additionally, owner dues contributions to reserves would be increased from \$500 per year to an average \$1,500 per year (tripling the contribution). This will increase the Cottages total reserve contribution from \$10,688 per year to \$33,000 per year. If we do these things, barring a catastrophe, we should not have any other special assessments going forward for the next 25 years.

### **Discussion:**

Ms. DeMarco expressed concerns regarding roof life spans without considering water infiltration potentially causing rust. She thinks the roof life span estimation of 50 years may be unrealistic.

Mr. Long said that roof inspections are taking place and low level spots where rust typically occurs are being examined thoroughly. Areas where roofs are sealed are also being checked. He commented that it is anticipated that some roofs will have to be replaced earlier than others.

Mr. Long explained that research indicates the rusted appearance of roofs actually take on the properties of a sealant, closing the pores. Rust will develop more quickly where there is standing water, which is why low roof spots can be problematic. Otherwise, the roofs will continue to rust but at an extraordinarily slow rate.

The roofs will be inspected on a regular basis and any problems in low spots will be identified and repaired. With proper maintenance and necessary repairs funded by the reserve account, we should never at one time replace entire project roofs. There will be some sheeting replacements on some roofs in less than 50 years. Others may go 75 to 100 years before replacement is necessary.

Ms. DeMarco also expressed concern regarding other exterior services that she believes should be considered normal maintenance expenses rather than capital expenses requiring a special assessment. She specifically cited recent building re-staining as an example of an item that was not an unexpected expense and should have been budgeted for. In her professional opinion as an architect, Ms. DeMarco thinks the Silver Star buildings (especially the lower ones) could have withstood another winter and does not understand why re-staining was considered necessary in less than 4 years for many of the buildings. She pointed out that the reserve study states re-staining

needs to be done every 5 years. She commented that the re-staining issue should have been presented in this year's budget proposal for approval for next spring.

Mr. Long said that his understanding of building staining is that when the wood is relatively new, it's still pretty raw and is absorbed quickly, requiring re-staining within an earlier time frame. The more frequently the stain is re-applied, the longer the planned intervals between re-staining are. He observed that the decision to move forward with re-staining last summer was made by a responsible group of homeowners based on consultations with various experts and consultants. The belief was that it was critical to do the re-staining this year - waiting through another winter would cause more wood damage and therefore more repairs. The Association's decision falls within the purview of special assessments and the appropriate number of homeowners approved it.

Mr. Long pointed out that section 20.1.3 of the Cottages' CC&Rs states that an item doesn't need to be something unexpected, doesn't need to be a capital expense – special common assessments are applicable to that year only for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement, of a described capital improvement. He stated that building re-staining represented a reconstruction because the finishing of buildings' exteriors is part of the construction of the buildings.

Mr. Long commented that he appreciates Ms. DeMarco's point of view but it is contrary to the research conducted.

Ms. Cindy Shearman, owner, said that (re Ms. DeMarco's comment) the lower units are newer and possibly would not require re-staining at the same time as the older units. However, the decision to re-stain all units was also based on direct sun exposure, which causes the wood to dry out. Had it not been addressed when it was, more damage would have occurred, resulting in more expensive repair work eventually.

Mr. Perkins said that the Cottages re-staining time frame fits in with the reserve recommendation and correlates with the painting contractor's recommendation regarding re-staining intervals. He explained that essentially the re-staining work will be completed in three year segments: 1/3 of the building (south to west), 1/3 of the building (south to east) and the final 1/3 of the building (north side). This program will maintain the natural wood appearance of the project.

Mr. Tichman commented that Silver Star is viewed as having some of the highest association dues in the area. If dues had gone up by 20-25% (to pay for re-staining), it would have been detrimental to the Cottages in the real estate community and to our property value.

A motion to approve the proposal to fund reserves with a one time special assessment of \$2,000 in 2012 and to increase dues to fund the reserves budget recommendation was made by Mr. Gino Ginocchio, owner, and seconded by Mr. Tichman. The motion carried with one opposing vote cast by Ms. De Marco. Mr. Long commented that Ms. DeMarco was welcome to participate in the meeting but reminded her that under Association CC&Rs, her vote would not count.

#### Discussion:

Ms. Demarco asked how an owner becomes a board member. It was explained that the CC&R's state that the management and maintenance of the project and the administration of the affairs of the association shall be conducted by a management committee consisting of not less than 3 nor more than 5 natural persons as provided by the by-laws. The management committee shall be elected as provided in the declaration and in the by-laws.

Mr. Long commented that all board meetings, even if missing any given board member, are still treated as having a quorum. He pointed out that proposals are made by the Board but are approved by the homeowners, not the Board. There was an owners' call when the re-staining special assessment proposal was put forward – it was laid out and approved by the home owners.

Mr. Perkins reminded the Association that at last year's annual meeting, we actually knew we would need to do a special assess for re-staining in the spring. It was discussed that a reserve analysis would be conducted, and based on the analysis, an assessment would be necessary. At the conclusion of the reserve analysis a notice of meeting was issued as well as a notice regarding the special assessment. The meeting was held in July, 2011.

Ms. DeMarco remarked that it was unfortunate that she had been unable to attend the July meeting due to vacation plans. She acknowledged that the meeting had been noticed but said she was out of the area and not able to call in to participate.

Mr. Long commented that if an owner is unable to participate in a meeting, a proxy can always be designated.

### **2012 Budget Proposal:**

Mr. Perkins presented the proposed 2012 budget including:

- 1) Labor expenses – a decrease is proposed in this area. The number (\$10,695) is based on 2011 actuals.
- 2) Administrative expenses – an increase will occur in the Master HOA dues line as a result of the Masters' approved proposal regarding the wifi change. The number in the exhibit in front of you is \$218,479 – it will actually be \$225,082.  
The appropriation for reserve expenses line also reflects an increase (as discussed earlier) - from \$10,600 to \$33,000.
- 3) Supplies – reflects an increase in general maintenance. As an older project goes forward, more maintenance issues require attention.
- 4) Contract services – the contract lines have been adjusted to reflect accurate numbers.  
The snow removal contract reflects a 20% reduction for the same level of service as in the past.  
Mr. Perkins commented that the Cottages adjoining property owner allows Silver Star to dump snow over the bank on his property instead of hauling it off site at considerable expense. Silver Star cleans up the mess created on the neighbor's property when the snow melts. A good relationship exists.
- 5) Insurance – a proposed \$5,000 deductible (previously \$2,500) would result in a premium decrease.

### **Discussion:**

Mr. Long reported that changes in Utah law (effective July 1, 2011) make homeowners responsible for the deductible when there is a claim incident. Everything above the deductible, inside or outside of the unit, is the HOA's responsibility. For issues outside of the unit, the deductible is also the HOA's responsibility.

Mr. Clair Christoffersen, Travelers' Insurance agent, explained the changes in Utah law regarding new individual owner responsibilities. The new law states that individual owners are responsible for paying the deductible for any damage that occurs inside their unit, regardless of fault. Owners' HO 6 individual unit policies, under building coverage called betterments and improvements (coverage A) would pay your deductible to the HOA policy. The HOA is responsible for the balance of the claim. Prior to the new law, an owner's HO 6 policy covered improvements to their unit but it is no longer necessary to insure improvements and repairs – they are now covered by the HOA policy. Damage to the outside of a unit is the HOA's responsibility. The HOA policy covers everything except personal property (contents that are not permanent unit fixtures) and liability, minus the deductible. Owners need to be ready to assume responsibility for the \$5,000 deductible either out of pocket or with appropriate insurance coverage. If an owner does not have HO 6 policy, the Association would be responsible for collecting the deductible from that individual.

Mr. Christoffersen recommends owners have a minimum of \$10,000 coverage (coverage A – buildings and improvements) which will cover their deductible. He commented that the lower coverage amount should reduce owners' premiums.

It was suggested that owners contact their insurance agents to ensure correct coverage.

Ms. DeMarco raised the question of Cottages structure ownership – she understands the CC&Rs to say that the structure is not part of individual ownership. She asked if the floor systems between unit floors are the property of the individual owner.

Mr. Christofferson commented that the issue of specific ownership in some areas is not clear and needs to be studied further.

Mr. Perkins said that Silver Star is not a PUD, but a condominium project. He said the Cottages, though free standing, are part of the condominium project. Their sub-association is part of the Masters Association.

Ms. DeMarco remarked that, when she purchased her unit, this was not how she understood its description. Mr. Braski commented that, regardless of how a property is deeded, Utah state law supercedes it.

The total proposed budget, including the wifi adjustment, is about \$381,000, slightly higher than the \$373,500 originally proposed. This amount increases owner dues from the current \$3.63 per square foot to \$4.18 per square foot. These numbers are not reflected in the budget owners have in hand today.

Ms. Demarco observed that the original HOA dues were about \$700 per month. We are now looking at almost double that amount, a substantial increase in 4/5 yrs.

Mr. Tichman commented that on projects in Park City, when the developer pulls out, HOA's usually see about a 30% increase in dues.

Mr. Long pointed out that the big issue is reserve funding – we started with nothing, and that \$1,500 being put aside to handle all construction on a \$2 million plus project isn't much. From this point forward, we shouldn't have that issue causing an increase beyond 3% annually for inflationary purposes. We worked really hard to cut down on budgeted items and kept them to a minimal increase. It's possible that 2011 was an aberration on snow removal and other areas - we'll try to find where gains are and attempt to bring them down. As we reassess the reserves in another 3 to 4 years, we're going to look and see if we have to sustain this level of funding – if not, it will be brought down. We want to maintain the quality of the project, but we're not looking to provide extraneous services, etc. at the cost of dues.

Mr. Long said owners are welcome to review the books and the quarterly financial reports. He encourages owner input on areas where savings can be realized.

Mr. Long pointed out that, minus the wifi and reserve increase of 14.8%, the remainder of the budget represents a 1.2% increase. He expects that, with reserve requirements being met, there will not be future significant dues increases. He congratulated Mr. Perkins and his team for holding costs down well below the inflation rate.

A motion to approve the 2012 budget was made by Mr. Tichman and seconded by Mr. Ginocchio. The motion carried with one opposing vote cast by Ms. DeMarco.

#### **Late Payment Proposal Policy:**

Mr. Long presented the revised delinquent payment policy. It has been sent to owners for their review.

Dues payments are expected on the 1<sup>st</sup> day of the 1<sup>st</sup> month of the quarter. Previously they were considered delinquent if not received in 15 days. In the proposed policy, delinquency would not occur until 30 days after the due date. A reminder notice would then be sent advising the owner of the delinquency and requesting payment – a 10 day grace period would follow receipt of the notice. If payment is not received after that period passes (40 days), an 18% interest rate will be applied to the past due amount. Additionally, the following late fees will be applied to past due accounts:

- \$50 per month for the 1<sup>st</sup> two months delinquent – penalty fees will begin at the 30 day point, the date of actual delinquency.
- \$100 after 60 days delinquent
- \$150 after 90 days delinquent – continuing at this rate until the delinquency is paid.

The same rules will apply to special assessment payments. Special assessments have been voted for and approved by the HOA. Owners also approve when special assessment payments are due – this year's assessment could be paid over three quarters.

These penalty fees are not contingent upon owners' receipt of the reminder letter at 30 days past the due date.

After 40 days, the penalty procedures will go into effect.

Mr. Long said a letter regarding delinquency isn't required. Owners know when their bill is due and that payment is to be made in 30 days. He sees no legal issues arising.

The Association indicated that email is the preferred method for receiving dues billing and delinquency notices.

Credit card payments for dues payment are an option but there is a 3.5% convenience fee charged for this service (this is the transaction fee charged by the credit card server). As soon as this service is set up, an application will be sent to owners so an automatic payment plan can be arranged if so desired.

A discount for advanced annual dues payment will be examined.

Mr. Long commented that this policy change allows a little more leeway to owners – a 40 day window is now available to make payments. Beyond that 40 day period, the assumption is that the owner is either unwilling or unable to pay their dues. This creates great difficulty for those owners who pay their dues and assessments in a timely manner - Association bills always need to be paid.

Mr. Scott Russell, Resorts West Accountant, mentioned that the Association has not been able to fully pay the painter because all Cottages' special assessment payments have not been paid. Mr. Perkins has worked out an arrangement with the painter to accept the balance owed him next year.

A motion to adopt the revised payment policy was made by Mr. Tichman and seconded by Mr. Ginocchio. The motion carried.

#### **Proposed By-Law Changes:**

Ms. DeMarco expressed concern that current HOA by-laws require only 10% of owners be represented in person or by proxy to constitute a forum. Her view is that this is way too low of a threshold.

Mr. Long commented that this was a good observation and agreed that we should have a broader representation of owners on anything that requires homeowner approval. However, it often becomes a problem because, as you can see today, having large numbers participating is difficult.

The proposal recommended by the Board is to raise the quorum threshold from 10% to 50% present, but it needs to be understood that in changing this, according to the CC&Rs, if a quorum isn't represented at that 1<sup>st</sup> meeting, the meeting has to be rescheduled (noticed within 30 to 60 days). The rescheduled meeting would only require ½ of the previous meeting's quorum number – for the Cottages, the 2nd meeting could be constituted with only 25% present. Mr. Long thinks this may be appropriate because action on issues and decisions about finances can't be postponed indefinitely.

Mr. Perkins noted that there are only 22 members in the Cottages Association. If the larger quorum decision is made, he will personally email/call every owner to encourage participation or designate a proxy.

Mr. Long pointed out that 25% of the membership would be 6 owners. The Board alone is 5 members, so he thinks the proposal will work - only the annual meeting and the occasional special meeting would require owner participation. He commented that it will be incumbent on the Board to encourage participation.

Ms. Demarco suggested that proxy forms be made available to owners – if people were aware a quorum was required, more owners would send a proxy in. This would give more owners the means to participate.

Mr. Long said with this change we will make the point to owners that it's really important that they participate. If they can't be on the phone or here in person, they can designate their proxy to someone in the HOA that they are confident can speak for them. Hopefully, decisions made by the HOA will truly represent a significant majority of the owners.

Mr. Perkins asked if there was a procedural issue in changing the by-laws without a majority of owners present.

Mr. Long said that, if necessary, a letter describing the proposal will be sent to owners. The change does need to be ratified by 66% of the owners.

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A motion to raise the Cottages' quorum to form a meeting be raised from 10% to 50% was made by Ms. DeMarco and seconded by Mr. Tichman. The motion carried.

Mr. Long thanked Ms. DeMarco for bringing this issue to the Board's attention.

#### **Real Estate Marketing Parameters:**

There has been some frustration among Cottages owners regarding preferential treatment to some real estate agents, as well as signage and open house issues. The HOA cannot make a unilateral decision regarding this issue but did make a proposal to the Masters Board this morning. If the proposal is approved by the Board, we will inform the Association and move forward with the desired changes. Mr. Long explained that the proposal has one

set of parameters that will apply to all real estate agents and consistent signage regarding Cottages open houses. He said this will offer the Association more control of the Cottages marketing process.

### **Nomination and Election of HOA Board**

Mr. Perkins said that no Association members have expressed interest in a Board position. The current members of the Board have agreed to stand for re-election. Mr. Perkins asked if anyone present would like to be included on the Board. Mr. Eric Wise, participating by phone, said he would be happy to serve. Mr. Long suggested expanding the Board from five to six members and nominated Mr. Wise as the sixth member.

The six nominees for the Cottages Board are: Jim Long, Cindy Shearman, Greg Moss, Gino Ginocchio, Albert Bertha and Eric Wise.

Ms. DeMarco requested clarification on the process of choosing Board members. Mr. Perkins said that the owners elect a management committee. Mr. Long explained that any owner can be nominated for a Board position, and if elected by the membership, serve on the Board.

A motion to expand the Board from five to six members was made by Mr. Tichman and seconded by Mr. Ginocchio. The motion carried with one abstention.

A motion to approve the six nominees to the Cottages Board for 2012 was made by Mr. Tichman and seconded by Mr. Ginocchio. The motion carried.

### **Owners' Issues/Concerns – Open Floor:**

Mr. Long commented that some owners had issues/concerns that did not fall under the purview of the Cottages HOA. He wanted to give owners the time and opportunity to express these concerns.

Ms. DeMarco said she has quite a few frustrating issues going on in her unit. The elevator keeps breaking down and there have been several leaks. The fire sprinkler system has a light bulb out.

Mr. Perkins said to let him and/or his staff know if a leak occurs from outside the unit as soon as possible and it will be addressed. He commented that he had not known about these leaks in her unit until just recently. He mentioned that inspections of all units had taken place in the spring but leaks can occur at any time. He will get the sprinkler issue taken care of but needs access to the unit.

Ms. DeMarco asked who takes care of leaks that may occur within the walls of the unit.

Mr. Perkins said this is a gray area right now.

Mr. Long commented that he understands, from the earlier insurance discussion, that if a leak inside your unit causes damage, you are responsible for the \$5,000 deductible. – the deductible should be covered by your insurance.

Ms. DeMarco mentioned that for many issues, she's not sure what she's responsible for and what the HOA is responsible for.

Mr. Perkins said there is a fine line between what the owner's responsibility is and what the HOA's responsibility is. The question of HOA vs. owner responsibility for replacing such items as appliances, etc. needs to be examined more thoroughly.

Ms. DeMarco mentioned that her water heater is leaking and will have to be replaced soon, requiring a demolition of an interior back wall in order to remove it. She has had contractors look at it and was told that the wall has to come out.

Mr. Perkins said that there is a panel there and he'd be happy to show her its location.

Ms. DeMarco is aware that this problem is an individual owner issue and would like to discuss it at a later time.

Ms. Shearman noted that one solution to water heater longevity is placing a filtration system on it. It's relatively inexpensive and more than pays for itself. Park City is an old mining town and there are heavy metals in the water which cause a sediment build-up. A filtration system makes a huge difference.



Ms. DeMarco said there is extensive damage in her unit from a leak. She stated that, additionally, she has too many issues to be addressed in this forum – she suggested another method/time for discussing them.

Mr. Tichman mentioned that his unit has had various issues –the elevator, the fireplace, etc. – some repairs have been paid for by the HOA, some by developer and some by himself. He observed that a routine maintenance program can prevent certain issues from developing/occurring. If an owner does not have a maintenance contract with Resorts West or another property management company, they should consider either getting one or developing a maintenance routine themselves. Small, inexpensive things like changing filters and having the fire place checked can make a big difference in the long run. He thinks maintenance issues more commonly occur in units that are not rented or are self rented. He suggested that Mr. Perkins remind all owners about the importance of routine maintenance – perhaps a list of routine maintenance items that should be checked on a regular basis could be emailed to owners.

Mr. Perkins will take care of this.

Mr. Perkins mentioned that that the heat melt system is being checked to insure that it's working properly. They're located in areas where ice dams may develop. It's critical to prevent ice build-up and the subsequent leaks which might occur as a result.

Mr. Perkins commented that Cottage elevators are designed for home use. Those units that are rented to groups with children often have elevator break downs. The children frequently play in the elevators, jumping up and down, etc. This causes the earthquake sensor to trip, the elevator then stops and the passengers are stuck. Renters with children are alerted to this issue but the problem continues.

Ms. Shearman asked if it would be possible to exclude the elevator in the rental pool information. Unless there's a handicapped access issue, the elevator could be locked, with access provided only if requested. A deposit fee would be required for its use. She thinks this idea should be considered.

Ms. Demarco asked if Mr. Perkins has a procedure on how owners should notify him regarding problems. Mr. Perkins said owners should email him when a problem arises. He has his staff look at the problem first - if it's a simple issue, they will deal with it. If a repair is required, a contractor is usually hired. He also works directly with an owner's property manager.

On behalf of board, Mr. Long expressed thanks to all for their participation in the meeting and for their support throughout the year. He thanked Mr. Perkins and his staff for their hard work.

Ms. Shearman, Mr. Tichman and Mr. Ginocchio thanked Mr. Long for his efforts.

The meeting adjourned at 4:52 PM.

