

Minutes of the Silverado II Homeowners Association Board of Directors Meeting  
June 21, 2008

**Board Members in Attendance**

Greg Byrd  
Diana Catanzarite  
Hank Heuerman

Matt Scurry, chair (excused due to medical reason)  
Tom Duke (excused due to personal reason)

**Approval of Meeting Minutes**

Demi Michelau (official minute taker) read the minutes from the April 12 meeting. Diana motioned to approve the minutes, Greg seconded. The board unanimously approved the minutes.

**INSURANCE**

The first item of business is building insurance (e.g., property, liability, and workers' compensation). There will be a decrease in the premiums this year because it's a competitive year for insurance. The value of the building increased from \$17 million to \$18 million.

The current insurance company (Farmers Insurance) never was informed by Allegiant that the deck repairs were completed, so Silverado II has not been renewed at the proper rate. Brad's memory was that Silverado II should have received a discount on the premiums once the repairs were completed, and the complex was subject to not being renewed at all if the repairs were not made. Brad presented an insurance quote - \$26,344 per year (this is slightly lower than last year). If there are any claims, then the insurance company and the board will make decisions on how to handle that claim with consultation from the management company.

Steve McClean from The Ahbe Group attended the board meeting and present his quotes and insurance. With over 100 different carriers to choose from, they are an insurance and investment firm, so they have no loyalty to any carrier. The board has another week to make a decision. The agency has been in Denver for 20 years, and it started about 14 years ago. Philadelphia (they are right in Denver) came out the best for Silverado II's situation as of today. Whenever there is a claim, Silverado II should call Steve first. It is an ongoing process, so he can be a resource. They are an A-rated company as are all the companies Ahbe works with.

Steve will do his best to give us the best rate possible, and there is still some wiggle room left. The board is looking at a July 1 start date, which equates to \$26,943 for the total premium and includes the federal terrorism risk.

They assessed the building at \$17,900,000, but the coverage is for \$22 million. The aggregate is \$1 million more than our current policy. The deductible is at \$2,500. This has boiler and machinery coverage up to \$17 million. The quote is for \$1 million for one incident and an aggregate of \$3 million (if there is more than one incident in a year). An umbrella policy is \$850 for each additional million dollars. It will cover the grounds, restaurant, property (tables, etc.), and ski shop. It does not cover liquor liability.

With four or five employees, the workers compensation insurance would be about \$4,020 annually. These are auditable every year. If payroll drops, Silverado II will get a credit at the end of the year. If a client is with this company for a year, Silverado II can earn up to 5 percent credit for cost containment. Steve will provide an estimate for Directors and Officers insurance.

The next company is Travelers, and they were higher by about \$6,000, and they have not presented a workers' compensation quote.

## **TREE REMOVAL**

Between Silverado I and II, there are 80 trees that need to be removed. On commercial property, it is required to remove the trees or hire someone to do it. The bid we received is \$60 per tree (\$3,000), and this person can do the work anytime in the next couple of weeks. Hank moved, Greg seconded the motion to remove the trees. The board unanimously agreed to go ahead. Brad is going to get the meets and bounds of the property (maybe from Matt) in part because there is a second parcel of land that is either owned by Silverado I or II and because the tree line may be unclear. Brad will speak with Silverado I to make an arrangement that if the board pays for the trees, and they turn out to be Silverado I's, there will be an adjustment.

## **ROOF REPAIR**

The roofing company that did the flat roofs for us last year is coming here June 23 to begin warranty repairs.

The eaves of the buildings are holding a lot of snow. The snow falls and lands on the catwalks. The board is considering getting bids for installing fences or somehow addressing this issue.

## **ESTOPPELS (CONDO INFORMATION SHEETS)**

When someone is buying a property, they want questions answered. An option is to charge for these condo questionnaires to be answered. Information can be posted on the website, and additional information can be obtained for a fee.

## **MOUNTAIN PARKS ELECTRIC**

Billing works in a way that Silverado II receives individual bills for timeshares. There is a meter in the garage with \$0 usage that costs \$30 per month to exist. Hank has signed paperwork to have this meter disconnected. From now on, the timeshare billing will be consolidated. Rather than 24 checks being issued each month, Silverado will receive a statement to reduce the amount of checks written.

## **TRASH REMOVAL**

There is quite a bit of outside input into our trash. Silverado II pays for three cans to be removed each week. There are now stickers posted saying there are penalties for dumping. The current cost is about \$18,000 per year for trash removal. Brad thinks this can cut that in half by eliminating outside dumping, and it is likely that one can now can be eliminated (except when there is construction).

## **PET POLICY**

The board agreed to revised the pet policy and inform Silverado II whole and timeshare owners about it as well as the penalties for noncompliance. Below are general guidelines discussed, and Demi Michelau will write a draft for board approval.

- Owners may have pets.
- Renters may not.
- Pets are not allowed in the common areas.
- Pets must be on a leash.
- There is a need for some penalty to enforce the issue.

## **WEBSITE**

Silverado II owns a timeshare website, and it is hosted by GoDaddy. To access it and update, management needs a username and password. This company is hesitant to make any changes because they are unsure of Silverado II's intentions. Access is still to an Allegiant employee; this needs to be changed. The website will be used by the whole complex, not just timeshare owners and users.

## **STATEMENTS AND BILLING**

The accountant was displeased with how Allegiant conducted the billing. He asked Brad to not send out account statements until we have account balances. The majority of owners have been paying on their own. April is completely paid in full, and May is about halfway paid. Management has received some for June already. Brad will send the original ones for now, but adjust the statements as soon as possible.

### **CONDO HOTEL ISSUE ON FINANCING**

This is not a board issue; there is nothing the board can do. This is a mortgage crisis issue. The dialogue on the owner listserv is incorrect. Rates are about 2-3% above conventional rates, not 15%.

### **LOCKS**

Allegiant is going forward with the current system. Everything in the common area has been rekeyed. No one should rekey their unit. If owners want to rekey, owners should contact Brad to have it done through management.

### **NEW DEVELOPMENT**

The new development would like the board to consider selling rights to the swimming pool.

### **FURNACE REPAIRS**

A lot of money has been spent on furnace repairs. Brad found a brand new furnace that is 30 years old and has never been hooked up. There needs to be electricity to the furnace. Right now, it is really hot in the kitchen. Management can do a short term fix for now. Brad said to expect about \$6,000 in repairs for the kitchen.

### **FINANCIALS**

It's still too early to tell, but the numbers look very promising for the future!

The meeting adjourned at about 2:00 pm. The next meeting date has not yet been set.

*Minutes prepared by Demarée Michelau, not yet approved by the board*