

PEREGRINE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTOR'S MEETING
MINUTES
JANUARY 3, 2009

Call to order:

The meeting was called to order by president, Jim Jadlos, at 4:00 PM, per the predetermined time and date established at the last meeting.

Board Members Present:

Jim Jadlos
John Nelson
Ron Hinton
Terry Hillegas
Paul Murray
Dave Pusey
Buck Dellinger

Others:

Mike Miller, resident manager
Tom Malmgren, business mgr.

Attending for part of the meeting:

Rob Kilgore – Unit 102

Approval of Prior Meeting Minutes:

The meeting minutes of the prior two board meetings both held on August 31, 2008 were approved as written and distributed. Motion by Ron Hinton, seconded by John Nelson and passed unanimously.

Financial Report:

Tom submitted an updated financial report to the board via e-mail several days prior to the meeting. Tom explained that he has a new accounting person taking care of things as Frank Pfeiffer, the former individual doing all of the accounting had resigned the first of December. The financial statement submitted was ESTIMATED, as we have not received all of the December bills. Tom asked the board to bear with him a bit with this transition. He stated that all of the accounting is being converted over to Quick Books and this will, hopefully, make things better for all involved. Jim asked if we had a list of checks written and the categories of expenses, like previously provided. Tom responded he did not, but will provide this for the board in future meetings.

At the prior board meeting the board of directors had directed Tom to place \$20,000 into a six month CD with the desire to achieve at least 4% interest. Tom reported that he was unable to find a bank that would pay the 4% and thus he did not set up the CD. The board discussed this and instructed that a 6 month CD be established with at least a 3% return.

After discussion, the financial report was accepted.

Manager's Report:

Mike Miller reported that we recently experienced two leaks. The first was a heating pipe leak that was in the wall between the bathroom and living room of unit 107. This eventually found its way to the garage where it was observed. The pipe apparently wore through at a location where it was directly against a steel framing member in the wall. Plumbing repairs were completed and drywall repairs are in process.

The second leak was the result of a frozen domestic water pipe behind the wall in the ski storage closet of unit 201. This was repaired and more insulation was installed to avoid a repeat.

The building is in good shape, per Mike. Snow shoveling has kept him very busy and with his shoulder not fully recovered from surgery a bit of a challenge. Mike reported a section of the rear deck (above G-6) has some of the waterproof membrane coming up. This will be monitored and repaired next summer. The cornice that builds up at the interior courtyard was knocked down last week as well as shoveling snow off the edge of the east roof.

Mike reported that he has turned off the heat in the north end of the garage in an effort to 1) conserve energy and 2) this eliminates the front deck from being warmed to a point the snow becomes heavy and slushy to shovel.

Old Business:

At the last board meeting the board of directors asked that management obtain bids for working on the weather stripping at individual entry doors to eliminate energy/heat loss in the units. Mike reported two separate bids were received at \$200 and \$250 per door. All felt this was very high. **The board asked that owners who have problems with their weather stripping or other energy loss concerns at entry doors to notify the association.** A poll of those present indicated only a couple of problems and thus the perceived problem may not be as severe as assumed. All agreed the overall benefit to the association justifies nominal repairs to be paid by the association. Major costs should be passed to the individual owner. The board directed management to do an inventory of doors to see where problems exist. This, coupled with owner responses will guide the board action.

The board asked Tom if we received any credit on our insurance policy by installing asphalt shingles vs. the old wood shakes. Tom reported that this was taken into consideration by the insurance company with the renewal after the roof was replaced but the savings was not significant due to the concrete construction of the roofs and the fact that we still have a metal roof (the original) under the cold, build-up roof on the building. Tom will confirm this again with the insurance company.

Unit 102 Window:

The board discussed the letter sent by the board to the owner of unit 102 regarding a non-conforming window installed at the living room area of this property. The board has received two letters from the owners of unit 102 in response to the September 8th letter sent by the board. Jim stated that he briefly met with the owner of 102 the previous day.

Mr. Rob Kilgore, the owner of unit 102 arrived at the meeting at approximately 5:15 PM. Jim thanked Mr. Kilgore for attending the meeting and stated that the board was open to hearing his position on the window in question. Mr. Kilgore repeated statements contained in his letters to the board concluding that he felt the window was in substantial conformance and that Colorado law regarding uniformity has to be reasonable. He outlined that he believes the association documents can be interpreted differently as to what the board's authority is. He felt that they were being singled out

with their window while other windows in complex do not appear to comply. (The non-conforming windows are probably the older variety that have not yet been replaced.) Jim Jadlos stated that he believes the window does not conform and the board has an obligation to enforce the documents.

Mr. Kilgore stated he disagrees with this position, but he and his wife will take this position under advisement. Discussion regarding the availability of an acceptable replacement window that does meet uniformity standards followed. Mr. Kilgore acknowledged that he depended upon representations of his contractor while this window was being discussed and installed. Jim provided a list of possible window alternatives that he researched via a telephone discussion with Smith Lumber Company in Leadville earlier in the day. It appears that alternatives do exist. Jim responded that he was not changing his stance on this matter, but the other board members will discuss this and a formal letter will be forthcoming from the board.

Buck Dellinger asked why we received no request for window approval but a request was received to install a dryer vent. Mr. Kilgore questioned how that conversation would have gone, knowing he would have questioned other window installations.

Ron Hinton asked if the board could receive the 'specifications' of the window that was installed. Mr. Kilgore stated he would obtain this from his contractor and forward it on.

John Nelson asked if Mr. Kilgore knew why the contractor did not seek approval from the board. Mr. Kilgore responded that he could not answer that question, as his family was on vacation while this was going on and the desire was to complete the work prior to cold weather.

Mr. Kilgore left the meeting thanking the board for his opportunity to explain his position. The board thanked him for attending.

The board discussed the comments presented by Mr. Kilgore. Ron explained his reason for seeking specifications on the installed window was to compare apples to apples.

The Board's Decision:

The board unanimously agreed that the window installed violated the association documents and reaffirmed their prior decision that the window must be replaced to conform to the architectural consistency of the building.

1) The board's objective has been to eventually bring harmony to the outside appearance of all units in the complex. Approving this deviation would tend to encourage further departure from a harmonious appearance. A letter will be sent to the Kilgores reaffirming the need for window replacement. Window replacement requires a building permit and this has been a requirement since July 2008.

2) A remaining issue is the opening of casement windows on to walkways and decks. Though the county has informed us there are no restrictions on such installations, Tom will visit with the building department to seek clarification on the code as it relates to windows. The 2006 version of the International Building Code is what Summit County has adopted.

Continuing Items of Old Business:

Next spring the floor mats at the G-level will be removed. Permanent masonry repairs to chimney chases will be scheduled for the summer. Parking will be monitored to see if an aggressive towing sign is needed. Additional bids for heating boiler replacement will be discussed at the next meeting.

Mike Miller expressed his appreciation for the board providing him and Monica a bonus. The board complimented his performance.

Paul asked if the south door area had been repaired (prior leak). Mike confirmed yes. Paul reported that he did obtain the ski vice. He will install the vice with Mike's help and he also has a cable to make certain it does not disappear.

Jim reported that he had personally communicated with Barbara Taylor regarding the board's discussion about noise issues from the unit above hers. At the board meeting after the annual meeting the board agreed to not pursue anything more on this than was already done by adopting the rule against where hard surfaces are allowed. Action was taken to limit where hard surfaces are installed, but unfortunately the remodel of unit 302 occurred prior to this rule being in place.

Jim asked Tom if he had received any communication from the owner of unit 103 regarding allowing a bench outside of their unit. They had asked Jim to allow this and he responded that a formal, written request with a sketch was required to be submitted to the board. The board discussed this continuing requirement of board review prior to anyone placing a bench in the common areas.

Other business:

Since Mike is not skiing this year due to his shoulder and he normally receive a ski pass provided by the HOA, Tom reported that Mike has been assisted with shoveling, using the money that otherwise would have been spent to purchase his pass. The board endorsed this concept, however, Jim Jadlos reminded everyone that the board members who receive a complimentary pass via the Resort Chamber, not all owners, have always split the cost of the resident manager's pass. Thus each board member will pay \$42.86 to the association to fund this \$300.

Tom asked the board if they would entertain allowing Mike's paycheck from Peregrine to come from Carbonate vs. the current arrangement whereby Peregrine has its own workers comp policy and has the tax reporting requirement for just this one employee/check. The board felt this is an administrative matter and if there is no downside it seems like a prudent thing to do. His new accounting person suggested this to eliminate the duplication for one employee. A specific agreement between Peregrine and Carbonate may be necessary to clarify and document this. Tom will look into this further and report back to the board via e-mail.

The board asked if Mike's job description included clearing of snow off the third floor balconies. Tom stated that this is what we have been doing, but he is not certain if it is in the job description. Several board members who are third floor owners stated that they do shovel their own deck. However, if not done by the owner the association does shovel the decks periodically to overcome concerns of leaks and damage to the deck surfaces.

Next Meeting:

The next meeting was scheduled for Saturday, April 4, 2009 at 4:00 PM.

Adjournment:

At 5:35 PM John Nelson moved to adjourn the meeting. This was seconded by Buck Dellinger and passed unanimously.

Respectfully submitted,

Accepted,

Thomas J. Malmgren, Business Manager

James P. Jados, President