

**PEREGRINE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTOR'S MEETING
MINUTES
JANUARY 8, 2011**

Call to order:

Jim Jadlos, president, called the meeting to order at 4 PM per the predetermined time and date for the board meeting.

Board Members Present:

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

Others Present:

Tom Malmgren
Mike Miller

Approval of prior meetings' minutes:

Ron Hinton moved that the minutes of the two board meetings held September 5, 2010 be approved as written. This was seconded by John Nelson and passed unanimously.

Financial Report:

Tom e-mailed the board an updated financial report prior to the meeting and the board reviewed it along with the recently received Compilation Report provided by McMahan and Associates. The board discussed several individual line items on the financials and reviewed the Future Major Repairs and Replacement schedule. It was noted that the life expectancy for the elevator should be increased to 4 years from the 2 years currently shown, the parking lot will be at 30 years since the new lot was completed last fall and a more realistic boiler replacement cost be investigated and used. All will be updated with next year's version of the compilation report.

The board discussed accounts receivable from owners and instructed Tom to communicate with one owner who is over 90 days in arrears with dues payments. The board wants a commitment from this owner to bring the account current and a written outline from the owner detailing this.

The board accepted the financial report and compilation report. It was noted that the annual tax return was included in the materials received from the CPA and it will be signed and mailed.

Manager's Report:

A recap of events that occurred on the evening of January 30th was described to the board. A leak at a pipe at the water main, in the boiler room, created a lengthy and stressful few hours for Mike and Tom. Starting at 7:30 PM and ending about 2:30 AM

they worked with Tolin Mechanical and Copper Mountain Consolidated Metropolitan District personnel to resolve this rather serious leak. The board thanked both Mike and Tom for their extra efforts with this.

On the afternoon of January 1st a pipe froze and burst in the ski closet of unit 201 that caused a bit of a mess in both 201 and 101. The repair was made and new insulation was installed in such a manner that we hope another freeze up will not occur.

Mike reported that the leak at the hot tub filter ended up being a crack in the filter itself. Unfortunately, the entire filter had to be replaced. During the shut down it was noted the light also needed to be replaced. Other than these two items, the hot tub is working properly.

The roof leak problem above unit 304 continues to occur when an ice dam builds up. The roof was shoveled at this location recently, which temporarily solved the problem. The exact source of the leak continues to frustrate all who have looked at the problem. The snow shoveling crew has a theory that they are outlining to Mike for another possible fix. Obviously this is a top priority to resolve.

Tom and Mike reported that the boilers are working well. We did have an issue with the gas valve on the smaller, domestic water boiler the night of the water main leak, but that was directly related to water shooting into the gas valve chamber. It was resolved but may need a new valve to totally solve the issue. Regarding the heating boiler, a gentleman from Denver Boiler did visit the building after Labor Day and provided several suggested adjustments for consideration. The board asked management to renew the efforts to obtain a bid from a heating engineer for a proposal to prepare a detailed scope of work and specifications for the boiler replacement. Tolin Mechanical has not expressed any pending failure warnings about our boiler system but the boiler is the original and continuing to look at replacement is prudent planning by the board.

Tom reported that when the check was issued and given to Mike Miller to purchase his season ski pass, he responded that he must decline to accept this. He does not plan on skiing much, if any and thus did not feel justified in receiving the pass from the association. The board thanked Mike for his position regarding this matter.

Old Business:

Tom reported that he and Mike did notice some small cracking adjacent to the control joints in the new parking lot. They contacted Columbine Hills Concrete and Scott, the owner of the company, stated that they will look at possibly caulking or epoxy the control joints next summer. He did not feel the issue was a serious problem.

The water pipes in the ski closets of the 101, 201, 301 stack was discussed earlier when describing the frozen and broken pipe in 201. This will be taken off the list of old business.

Mike reported that the leak from the bathroom of unit 109 into the garage was resolved and that he has not observed any more water dripping from that location.

Tom reported that the Sculpture Fund has a balance of \$700. Three owners have sent in contributions. Units 205, 301 and G-4. This is in a separate bank account.

The on-going problem of hot/cold water at faucets throughout the complex was discussed in detail. Jim presented a grid showing water temperatures at kitchens and bathrooms in several different units that Mike completed last fall. The data is certainly conflicting about exact trends; however, all felt that some issues within individual units

must be present for the readings to show what they do. It was agreed that additional units will be targeted for readings to be completed next May. It was suggested that the stacks of the 04's, 08's and rechecking the 07's will be completed.

Tom reported that while initially the golf course director planned not to remove the support posts holding the netting installed along the 8th fairway (between Peregrine and Anaconda) a discussion regarding this between Gary Rodgers and Tom over ruled and they were removed. However, Tom outlined that any correspondence between the board and Copper Mountain supporting the obligation of the posts to be removed every fall will be helpful for the future. Jim Jadlos stated that he was fairly certain his old computer contained this documentation and he would pursue finding it.

Tom reported that the insurance coverage was recently renewed. Terry Hillegas reviewed the renewal proposal and authorized Tom to proceed with acceptance. The premium actually decreased very slightly with this renewal.

New Business:

Tom reported that he attended a presentation by Copper Mountain on December 9th outlining the Master Plan of the ski mountain. This was a future look at what Copper is presenting to the Forest Service for an estimated 15 year implementation. The plan as described by Gary Rodgers and Chris Colman (Copper representatives) was actually quite exciting and well received by all in attendance.

Tom next updated that board on discussions that have occurred during meetings of the Resort Chamber Board, the POLA Board, the Village Company Board and the Metro District Board. This group has been meeting since mid summer to review information gathered and presented by a consulting company, Economic & Planning Systems, Inc., hired by the POLA and Village Company Boards. Their findings were presented to the owners in attendance at the annual POLA meeting in September and this report is on the POLA website (about 68 pages). The thrust of the current effort is to seek a variety of funding sources to pay for additional transportation, security and marketing throughout the resort. A mandatory surcharge on all sales (restaurants, lodging, retail shops, etc) to be paid by the purchasers of those goods and services is one funding source. A proposal to change the dues structure for the Resort Chamber annual dues from that based on number of bedrooms to 25 cents per square foot of a unit's size is another. This proposed change in the Resort Chamber dues would have a direct impact on the budgets of all associations, since the Resort Chamber dues have been a line item on all buildings' budgets. This proposed increase of about 4 times would obviously have a significant impact. The Peregrine board reacted quite negatively to this information and stated that they intend to follow this very closely and unless convinced otherwise did not support the concepts at all.

Jim Jadlos asked the board about their position regarding an unlicensed vehicle that an owner has stored in the Peregrine garage. The board, after discussion, instructed Tom to write a letter to the owner of this vehicle and state that it must be properly licensed and proof of insurance provided to the association within 60 days. The board does not endorse storage of a vehicle in the garage and prefers it be removed as soon as possible.

Jim asked Tom for his reaction to a recent newspaper article that Jim forwarded to Tom discussing FHA lending and the hurdles involved with getting projects approved.

Tom responded that FHA loans have never been a source of financing for second home condominiums. While financing is currently challenging, there are lenders doing conventional loans and this is the best direction for a buyer or owner to pursue financing at present.

Mike Miller had left information for Jim to review regarding possible common area light fixture refurbishment for fixtures with older components. After discussion the board asked Mike to investigate the cost of complete new fixtures, vs. modification of existing. These costs will be compared by the board at a later date.

Next Meeting:

The board set March 26, 2011 at 4 PM for their next meeting.

Adjournment:

There being no further business John Nelson motioned for adjournment at 6:30 PM. This was seconded by Paul Murray and passed unanimously.

Respectfully submitted,

Accepted,

Thomas J. Malmgren, Business Manager

James P. Jadlo, President