

**MARINA PLACE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
MARCH 15, 2010
*via teleconference***

I. CALL MEETING TO ORDER

The Marina Place Condominium Association Board of Directors Meeting was called to order at 6:05 p.m.

Board members Al Baker, David Brunk, Susan Snyder, Al Watson and Christa Mehard participated via teleconference.

Representing Basic Property Management were Gary Nicholds, Charles Johnson and Candy Ramage. Association attorney Dan Wolf was present. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVE PREVIOUS MEETING MINUTES

David Brunk made a motion to approve the January 13, 2009 Board Meeting minutes as presented. Al Baker seconded and the motion carried.

III. FINANCIAL REPORT

Candy Ramage sent the financial to the Board last Thursday. Al Watson made a motion to approve the Financial Report. Al Baker seconded and the motion carried.

Christa Mehard asked if the new coupon issues had been resolved. Candy Ramage said they had all been ordered and most had been received.

IV. BASIC PROPERTY MANAGEMENT REPORT

A. Discussion of Declarations Changes to Bare Walls Policy

Dan Wolf said the Board had discussed amending the Declarations so a bare walls policy would be permitted. He has received some sample policies from Steve Dorato and he is at the point where he can start drafting a bare walls insurance Declarations provision. It would need to be put to a vote of the ownership and sent to all lenders for approval. He will need to amend the insurance provision to allow for more limited insurance. He will also need to amend the definition of "unit" because "unit" is currently defined to include "all fixtures and improvements therein contained" as well as Article 14 and a couple of definitions. Passage of the amendment will require approval by 67% of the members and 100% of all the holders of first mortgages. Per recent amendments to CCIOA, the lender approval can be done through a notice process that includes a mailing and posting of the amendment and unless the lender objects, the lender is deemed to have approved. He recommended having the members vote first because the lender approval element also involves obtaining copies of deeds of trust and mortgages from a title company, which is not expensive but takes some time. He

did not anticipate any pushback from the lenders. If a lender objects, it may be possible to pass the amendment with a court approval, but it would be more expensive and cumbersome.

A Board member asked if bare walls policies were the norm for Associations. Dan Wolf said in his experience, bare walls policies are the exception.

Al Baker questioned why the Declarations should be changed. He said his insurance thought the Association could have the insurance company of any owner who creates a problem pay for the repairs.

Dan Wolf addressed subrogation. Section 14.2 of the Declarations prohibits subrogation by requiring that all Association policies include a waiver of subrogation. The insurance agent should provide a comparison of potential costs savings if subrogation was allowed as compared to a bare walls policy. Dan said only certain sections of CCIOA apply to associations formed prior to 7/1/92. The non-subrogation clause does not apply to Marina Place because it was established prior to 7/1/92 but CCIOA still provides the standard in the industry and not having a subrogation waiver but would be inconsistent with CCIOA. Dan said the Board should look at the cost benefit of allowing subrogation and should consider if they want owners to be sued for subrogation.

Gary Nicholds commented that the insurance agent said a bare walls policy would make the property more insurable because the areas of responsibility would be clearly defined.

Dan Wolf estimated that the cost to change the Declarations would be about \$5,000. Christa Mehard said she could not vote until she has a better understanding of the cost benefit. Al Baker did not feel the Board could make a decision tonight based on the current facts. The Board agreed they should get a firm cost for a bare walls policy from the insurance agent as well as answers to several questions posed by Al Baker. Gary Nicholds said he would work on getting answers to the questions and get a hard number for a bare walls policy.

Dan Wolf said that the Board could adopt a rule addressing deductibles, which would be faster and less expensive than amending the Declarations. Dan said he could provide proposed wording for a rule which would allow the Board to assess the deductible to a negligent owner. The Board would have a certain amount of discretion. Susan Snyder was concerned about potential legal actions by owners who do not want to pay the deductible. Dan said as long as the Board acts responsibly and does their homework, courts are usually reluctant to overturn Board decisions.

Gary Nicholds commented that the Board may want to change the minimum temperature in the rules from 50 degrees to 55 or 60 degrees. The current fines are \$50/\$100/\$150 per occurrence. He suggested establishing separate categories for violations that can cause significant damage to units or the building. The Board discussed fining the owners in Unit 231 because their heat was set below the 50 degree minimum, resulting in broken pipes. The Board directed Gary to have Erin fine the owner.

Charles Johnson asked Dan Wolf if a rule could be established that in the event of a major damage incident, owners must either use the Association's preferred contractors for all work in the unit or the Association can write a check and the owner can handle all repairs with their own contractors. Dan said this was a power that the Board already possesses, but a rule could be added to provide guidance.

Dan Wolf will draft language for new rules for charging owners for the deductible and for temperature violations.

Further discussion was tabled until more information is obtained.

B. Comcast Proposal to Upgrade Cable

Al Watson said he met with a Comcast representative to try to negotiate a fee reduction but what Comcast provided was a new proposal for upgraded services at the same price. The proposal included a ten year service agreement and a five year renewal, as well as new wiring for the building at Comcast's expense valued at \$9,000. If there is new wiring, however, anyone with existing HD will lose it and will have to pay for a box to get the signal. Christa Mehard said the new rate was not discounted. Al Baker said he had complained about the wiring, low signal and the cost, which has been increasing 6% annually. Al Baker said DishTV could set up a system so individual owners could opt to get HD signal as desired but all owners would not be required to have it.

The Board has until April 15th to make a decision on the Comcast offer. Two Comcast technicians spent two days at the property testing the signal. They indicated that for new programming in the future such as 'on demand', the existing cabling would not allow access to those programs with a decent picture. The proposal of \$31.43/unit/month would include a digital box and digital service. HD would be an extra charge and a DVR would be an additional \$8/unit/month. Susan Snyder said she had received notification from Comcast that in the near future, televisions without a box will only receive channels 2 – 20.

Charles Johnson clarified that the package being offered included new upgraded wiring and one digital box per unit. Comcast will charge an additional fee of \$21.50 per room to hook up existing cable in other rooms.

Debby Curb from Comcast joined the call. The following questions were posed:

Q: How will the existing service change if the Association does not upgrade to digital service?

A: Eventually Comcast will only provide digital service. The existing service does not provide access to all available options due to the wiring. The proposal includes one digital box that provides access to pay-per-view, the on screen guide and other interactive features. Additional cable outlets in a unit will have a digital terminal adaptor, (DTA) which is a much smaller device, to allow all the same digital channels as the primary set to come through, but without the onscreen guide or access to movie channels. The DTA will not deliver premium channels in the 500's and neither box will provide HD programming in the 600's. A separate HD box, which is not part of the Association proposal, would be required for HD programming. Two DTA's will be included per unit at no charge and additional adaptors would be \$1.99/month each.

Q: When will Comcast switch to only digital service in Summit County?

A: This probably will not happen in Summit County in the next year. Once the switch occurs, televisions without a box will get channels 2 – 20.

Susan Snyder stated that the April deadline was unfair. Debby Curb explained that the deadline was for a decision on the \$9,000 wiring upgrade that would be installed at no charge by Comcast. If the offer is not accepted by the April deadline, the wiring funds will be offered to another property. The proposed contract includes a ten year service agreement and a five year bulk bill addendum with a rate lock until 2012.

Al Watson said the satellite companies were working on locations for two head end rooms for satellite equipment. There would be no charge for the equipment but the Association would have to sign a contract. Each unit would need to have a receiver but all rooms would get all channels.

There was general discussion about the pros and cons of cable versus a dish. Al Watson was in favor of remaining with Comcast. He felt there would be more mechanical issues with a dish. The advantage of using Comcast would be a price freeze for two years, the wiring upgrade and increased services.

Christa Mehard asked if most owners wanted cable or if there could be cost savings by eliminating it and allowing owners to contract individually. Charles

Johnson said all units had at least one television. He thought some owners would not want to pay extra for additional services like HD but that most owners wanted basic service.

Christa Mehard said she was concerned about decreased service with a dish during storms. Charles Johnson said the commercial dish was heated to eliminate issues with snow build up.

Christa Mehard was not in favor of signing a five year contract if the rate lock is only two years. Al Watson said he would approach Comcast about re-negotiating the length of the contract, reducing the annual increase to 2-3%, including three adaptors per unit if needed and changing the charge for additional hookups to \$21.50/unit instead of per room.

Charles Johnson noted there would be several thousands of dollars of electrical work that would have to be done for the head end closets for a dish.

C. *Sprinklers in Owners' Closets*

Gary Nicholds said he had contacted Steve Skulski from the Fire Department about inspecting the sprinkler systems in the closets. He told Gary that an anti-freeze drop loop would allow for glycol in an isolated line and would eliminate the onerous testing requirements. Gary is trying to schedule the inspection for next week. There would still be an issue with the water lines in the third floor ceilings. The ceiling temperature needs to be kept at 55 degrees to avoid freezing.

D. *Frozen Pipes in Owners' Closets*

Charles Johnson said there could still be unknown frozen pipes in owner closets that have not thawed yet because there are numerous closets on exterior walls with sprinklers that have been locked all winter. He installed vents in Units 411 and 415 where there had been problems in the past but this solution was not effective because there was no air flow. Installing a second vent at the top or bottom of each door might provide the needed airflow. Susan Snyder asked if a heat lamp could be installed. Charles said there was no power in the closets so two vents or full louvered doors would be less expensive. Requiring owners to use another closet for owner closet and leaving the doors open would be another solution but it would be difficult to enforce. Charles estimated it would cost at least \$8,000 for the materials to add two vents per door in each unit plus labor for a total of about \$28,000.

Alternatively, the sprinkler heads could be removed from the closets without violating the fire code. This would entail cutting the sheetrock in two places, removing the pipe and repairing the drywall. Charles was asked to get a cost to remove the sprinkler heads.

E. Weatherization of all Buildings

Charles Johnson said the beams holding up the walkways were only caulked on three sides so cold air is getting into the closets. In order to caulk the gap on the top side, one board would have to be removed along the length of the walkway. Charles said there were some Xcel rebates available for weatherization and individual owners would be eligible to receive the rebate since they pay their own heating bills. This could be done by dividing the cost of the weatherization and invoicing each owner for their share of the cost. The additional labor to remove the boards along the walkway would increase the cost to add this weatherization. This will be discussed further after additional information is obtained regarding the cost for the various options for the sprinkler heads in closets.

V. ADJOURNMENT

The meeting was recessed at 8:10 p.m. until Monday, March 22, 2010.

Approved By: _____
Board Member Approval

Date: _____