

BLUE MESA LODGE JULY 2, 2012 BOARD MEETING MINUTES - Point 7 was revised and minutes approved during the 10/24/2012 BML Board meeting. Point 7 "...a reduction of dues starting 1st Q 2012..." was corrected and revised to read "...a reduction of dues starting 1st Q 2013..."

JULY 2, 2012

1. Roll Call with Board Members Len Conway, Barbara Cone, Keith Brown, Paolo Canclini, and Peter Flynn. Also present was the new owner of 32B, Jody Capelli and the owner of 32A, Nancy Branyas.

2. Quorum established

3. Proof of notice of meeting confirmed

4. Reading and approval of minutes of preceding meeting made

5. Review and vote on the Revised Collection Policy:

Peter explained the revisions. Len said there were 2 problems; 1) 18% interest is very high, 2) policy is billed in advance of expense. Barbara asked about the 30 days to pay dues from date of notice. Paolo suggest 10-12% interest. Peter recommended 18%, as it is same as current policy. After discussion a motion was made and all present Board members agreed to a new 12% interest. The Revised Collection Policy was approved by the Board.

6. Review and vote on the Amnesty Program:

Peter explained the Amnesty Program. Discussion was held about the details. The following was discussed and agreed on by all Board members present.

- The Board requires from the owner seeking amnesty a repayment proposal within 30 days of this email.
- The proposal must provide for a full repayment of all delinquent assessments owed now and payment of all future assessments through the time full repayment has been made - within 1 year from the date the proposal is approved by the Board.
- There must be a payment each month and the monthly payment amount must be in the proposal.
- Failure to comply with any part of the repayment plan may result in the loss of the Owner's ability to obtain amnesty with the result that the owner will continue to be responsible for all delinquent amounts including late fees and interest incurred to date and in the future.
- Owners who are delinquent will have their 3rd Quarter 2012 dues and interest statements to indicate the current amount of past due assessments (excluding late fees and interest) that must be repaid along with future assessments as part of any amnesty repayment proposal.

A motion was made and all present Board members agreed to the Amnesty Program. The Amnesty Program was approved by the Board.

7. Review and decision if the HOA should refund or credit to Owners any excess operating funds:

Keith explained the HOA has operating funds, separate from Reserve funds, in excess of Quarterly Operating costs. Keith said the reason for discussing any refund or credit is to address the opinion of some owners their dues do not need to be paid on time because the HOA has an excess. Discussion was made about the amount of excess and when to pay any excess. It was thought by Keith, Peter, Barbara that the refund matter should be delayed until the end year budget review and that any excess would be given to owners through a reduction of dues starting 1st Q 2013. Paolo object and asked for a refund to be issued soon. After further discussion it was decided that the refund matter should be delayed until the end year budget review.

8. A new HOA Treasurer:

No new nomination was proposed. All Board members present discussed the possibility of a non-owner Treasurer and if an Accountant can be also be Treasurer. No decision made.

9. A new HOA Accountant:

Keith recommended a new HOA accountant be employed. Keith asked for Board recommendations. There were none and the 2 candidates Keith proposed were discussed. It was agreed that Keith would contact Roberta Peterson, CPA to find out if she is available and her rates. Len is to ask contacts for any recommendations or comments about Roberta.

10. Keith reviewed and the Board members present discussed the following:

- The reserve fund - Currently \$60,000 and after discussion, the board decided not to use reserve funds for some unexpected 2012 expenses. Len commented that reserve funds are best used for large capital replacements and repairs.
- Condition of the building & deferred painting - No needed new repairs. Painting of exterior in 2012 has been on hold due to unpaid dues. After discussion it was decided to proceed with about \$10,000 of exterior trim painting in 2012.
- Unexpected \$4000 2012 expenses - The unexpected expenses consisted of elevator and boiler room inspections and improvements and a new residential washing machine and garage drainage costs.
- Re possible repairs by town/GPP on the Sunset Plaza and the possible BML involved costs - Keith recapped the GPP/town court arbitration planned for July for plaza/GPP repairs. Keith explained the details and exact cost to BML to flash the BML building to a newly repaired plaza will not be known until a comprehensive engineer study is made by town and all neighboring properties. Keith felt confident the current \$60,000 reserve funds will be adequate for flashing and that the BML HOA insurance will not cover these costs.

11. Keith reviewed and the Board members present discussed the commercial exhaust fan venting into the ground floor elevator foyer, creating a hot condition during some summer periods. Commercial was asked to determine the cost of venting into the ducting instead of the elevator but Paolo said he had no money and would not do so.

A motion was made to end the meeting and Barbara, Len, Peter, Keith, Paolo approved the motion.

Minutes by Keith Brown