

**Silverado II Regular Board Meeting - Minutes**  
**11/07/2015**

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**Board Members Present**

Gene Culwell (622), president  
Brook Boehler (433), vice-president/treasurer  
Demi Michelau (232), secretary  
Karl Hagman (week 11, unit 124), time share representative  
Michael Barrett (334), member at-large

Diana and Frank Catanzarite (311 and 122)  
Roger Hankey and Cheryll Brown (621 and 331)  
Finn and Beth Haug (623)  
Kathleen and Kenneth Mallow (421)  
Betty Pennington (312)  
Bill King (612 and 614)  
Roger Lee (113)  
Clark Parr (523)

**Staff Present**

Brad McClain, general manager  
Amy Yoder, bookkeeper

**Guests**

Tim Day, Day and Associates

**Owners Present**

Greg Byrd (324)

The meeting was called to order at 9:00 a.m. Michelau took roll. There was a quorum. Michelau confirmed owner participants.

During the owners' forum, Hankey has concerns about how the owners were responsible for the replacement for the flat roof. He asked to be called on at that time. Pennington asked about the ski shop and the current status and whether it would be converted to an business center.

Michelau moved to approve the meeting minutes of the Board meeting from October 17, 2015. Barrett seconded the motion. There was no discussion from the Board or owners. **The Board approved the minutes.**

Michelau described the background of the patio doors and windows. Michelau moved that the process and form for architectural review. Hagman seconded. Pennington asked how often the Board would be reviewing requests. Michelau responded that the Board meets monthly and would incorporate approvals in those monthly meetings.

Boehler presented the Treasurer's Report. Since the Board met two weeks ago, there was not much new to report. The audit will be reviewed at the Annual meeting. The Board is monitoring the progress of the roof, but we do not expect to have issues with paying the bills. There are no anticipated overruns. As of yesterday, five of the owners have paid in full, and a few have paid partial payments. The FY 16 budget was paid in May in accordance with state law. The budget stands as it is, and will not be changed. If all the owners pay the assessment on time, there will be \$70,000 in reserves. The Board is in the process of separating the reserve account and no longer running it out of the operational account. With respect to the reserve study, five companies are bidding to do this. We have approved up to \$5,000 for this activity, and it will be done in the Spring because of the snow. By law, we are required to conduct a reserve study. With respect to accounting services, Silverado II currently does everything in house. There can be problems associated with this. General accounting procedures dictate that you segregate accounting procedures. This needs additional study, but Silverado II would be at an advantage by

outsourcing some of these services. Payroll is an example, and the cost is nominal. Parr asked if there was a timesheet function built in, and Boehler said that many of them do.

McClain said that the roof has been the focus of his efforts. The company has been terrific to work with, and the owners have been onsite throughout the project. Ideally, we would have started sooner, but we finished all but the smallest one. The rest of the decks are 100 percent sealed. There will be some cosmetic issues they will deal with in the Spring. There are no leaks even in the trouble spots. The roof design was bad from the beginning, and that has caused us problems throughout its history. The roof is a 90 mil rubber membrane with a floating roof system. It should not allow water to sit or pool. The rubber pavers will allow for drainage. We have to be cautious now because it is not walkable. There will be signs indicating that people need to keep off the decks. The Aspen Group will prorate the amount that we owe. McClain said that there are new options for rubber pavers that are cheaper and better quality so it is good that we have not yet chosen which paver. Haug said that he spoke with Chuck Hormuth from Aspen Group about possibly putting a small amount of pavers out on the deck to prevent damage. Hankey would like the Board to consider a motion to direct the General Manager and legal counsel to take the legal action to take action against the roofing company in 2006-07. McClain said that the previous system was a neoguard system. When we pursued the warranty, there were too many deficiencies in the application. There was seam tape that was required on each crack, but that was not done. They also claimed that the mil thickness was not sufficient. They claimed that due to the environmental conditions, you have to wait a certain number of hours between installing layers. It just was not feasible. The current design did not have those limitations, and that is why we chose the system that we did this time. The manufacturer said that it was not installed to their specifications. Nobody watched over the roofing company when they did the work. The previous management company recommended a different system at the last minute and simply chose the wrong system. McClain did attempt to go back to the manufacturer and installer. They gave us free material to do repairs. They attempted to fix the original cracks and it seemed to be working, but then it failed. Boehler asked if it was documented. McClain said that roof warranty folder was empty, so there is no documentation. **Boehler said that we would make contact with our legal counsel to consider our options.** Haug said that he supports seeking legal counsel. McClain said that it cannot be used at this altitude, and it was new at the time. Neoguard was not there at the time of the installation. Catanzarite, D. said that perhaps if we can prove negligence, that could trigger a loss assessment insurance claim. Michelau said that she is comfortable talking to the attorney but we should not get our hopes up. **Boehler moved that we pull together documentation before the next Board meeting and talk to Rich Newton about our legal options regarding the warranty. Michelau seconded.** Parr asked what documentation we have to prove our case before we spend money on the attorney. McClain said that the entire roof did not fail. Hankey has analyzed the meeting minutes back through 2009 to look for references to the roof. He will submit that information if that would be helpful.

McClain continued the General Manager report. People can pay assessments as they go or all at once. The catwalk doors have been installed. The property has gone through some transformations. The garages were fairly clean but then staff cleaned the storage areas. Staff shared the dumpsters with the roofing company because it was more cost effective but it allowed a lot of the garbage to be removed. McClain explained that the ski shop was not transformed into anything because it was unusable due to the leaks. Catanzarite, F. is disgruntled about the fact that no one is renting out the retail space. The space is set up for a ski shop right now. There is a person who is interested in a ski shop. Michelau asked if the ski shop is viable. Boehler suggested that we put a time limit on the ski shop rental. If we do not get it occupied, we should change it to something else. There is a couple that is coming in to run the restaurant and hope to be open by the Thanksgiving. Hagman said that it is difficult to keep a restaurant

afloat. The restaurant reflects that. This will be contracted. Haug said that there is limited advertising and that should be a priority along with the event center.

Culwell updated the Board about the stairwell doors. Nothing has changed since the last Board meeting. **He needs to check with the Town of Winter Park about the requirements.** Haug said that this is a staff responsibility, not Culwell's. Hagman responded to Haug that McClain asked Culwell for assistance because of his knowledge and expertise in this business.

**Hagman moved that the Board table Item E (Timeshare Deposits by Whole Owners) until the December Board meeting. Michelau seconded. There was no discussion. The motion passed unanimously.**

The next meeting is scheduled for **Saturday, December 13, 2015, at 9.00 am (MDT).**

The meeting adjourned at 10:24 a.m.

DRAFT