

**Summit Cove Recreation Association**  
**Annual General Meeting of the Members**  
**August 9, 2008**

Minutes of the meeting of the Members and the Executive Board of Directors of the Summit Cove Recreation Association held on Saturday, August 9, 2008, at The Summit Cove Recreation Center.

**Call to order:**

Rick Pyle, General Manager of Mount Royal Properties, called the meeting to order at approximately 11:10 am.

**Members in Attendance:**

Jay & John Bauer	Lake Haus F5	Sue Tynan	Lake Haus B5
Gus Boughton	Lake Haus C9	Brian Healy	Lake Haus D2 & E6
Lawson Pedder	Lake Haus D3	Brooke & Chris Michelsen	Lake Haus E1
Scott & Becky McDill	Lake Haus E10	Bill Seidler	Lakeside F1
Wendy Scott	Lake Haus G2	Mike Fosser	Lake Haus C7
David Lawson	Lakeside A6 & C1	Kathryn Brannan	Lakeside F7
Lee & Kathy Johnson	Lake Haus A10	Bud Johnsen	Lake Haus D12
Caroline Alvarado	Lakeside II R7	Sumio Go	Lake Haus E8
Disko Durham	Lake Haus D6	Allen & Rose Maruyama	Lake Haus A4
Tom Haning	Lake Haus A14	Stefan Fiala	Lake Haus G6
Melissa Moore	Lake Haus B7	Nancy Stevens	Lake Haus E9
John & Ann Karras	Lake Haus E12	Tom Griesser	Lake Haus G8
Paddy Brown	270 Summit Dr.		
Meng Lai Lim	Lakeside II C2		
Betty Holland	Lake Haus A13		
Dennis Bosio	Lake Haus B4 or D4		
Nichole Guidi	Lake Haus F10		

**Proxies Received from:**

Paul Winters (LH G5) for the Board	Alan DeMart (LH G4) for Bud Johnsen
Martin Blaser (LH A11) for Tom Griesser	Paul Winters (LH F11) for the Board
Robert Ansel (LSII #5) for the Board	Colleen McBratney (LH G7) for Tom Griesser
Tim Tiefenbach (LH B16) for Bud Johnsen	Vanessa Cason (LSII Cove #7) for Dave Lawson
Loyd Rhiddlehoover (LH A13) for Bud Johnsen	Katie Donoghue (LH F11) for Nancy Stevens
Connie Christofanelli (LS #3 & #4) for the Board (x2 proxies)	

**Quorum:**

With 35 members present and 11 proxies received, a quorum was achieved.

**Approval of Previous Minutes:**

Motion to approve the minutes of the 2007 Annual General Meeting by Allen Maruyama and was seconded by Sumio Go. As all were in favor and none opposed it was unanimously resolved that:  
**The Annual Meeting minutes of August 11, 2007 were approved.**

**Reports:**

*Presidents Report:*

Rex Raimond was unable to attend as he was out of the country. Rick pass on his apologies, and informed them that the board his happy with the way 2007 went. Over \$15,000 was saved on the

operating budget, leaving these funds for future use. The surveys were conducted in the past year as to the future of the rec. center and the results will be discussed later in the meeting.

*Financial Report:*

For the year 2007 the Profit and Loss (P&L) report looks very good. By the end of the year, income was above budget by about 1% while operating expenses were \$15,000 below budget making for one of the best financial years for the association. In 2008 we moved the \$15,000 excess to an account at Edward Jones to earn the highest interest possible until a decision could be made amongst the members as to how to allocate these funds.

P&L for January 1, 2008 – June, 30 2008. Income is close to budget and the operating expenses 10% below budget at this time, thus resulting in no dues increase being needed for 2009.

Dave Lawson made a motion to approve the financials for the year 2007 and the year to date 2008 financials and seconded by Bill Seidler.

Since all were in favor and none opposed:

**The 2007 financials and year to date 2008 financials are approved.**

*Managers Report:*

The maintenance staff has been painting the coping around the pool with epoxy paint and touching up the interior paint. The paint will be periodically touched up so that up so it will stay looking good. As for the exterior painting, that was slated to be done in 2008, was deferred until a final decision regarding the future of the rec. center is determined. The paint at this time looks good enough to go at least one additional year with the touch up painting on the front of the building done last summer. Bob addressed the hot tub issues. In order to have it working properly again will need to replace the pump and redo the filter work. Cosmetically the shell does have a few cracks, this can be fixed if we drain it down to fill the cracks with sealer. Bob will be putting skid tape on steps of the hot tub. The hot tub is another example of things that are being deferred due to the future decision of the association. MRP will continue to keep the old hot tub working through the season to the best of their ability.

The lock on the tennis court is now chained to the fence with the combination always being the same as the front door. The tennis court is good condition from the paint job last year. From a maintenance aspect everything is going well so far as we haven't heard of many issues. John Avery is the new resident manager and he seems to be doing a great job. Bob led the discussion regarding maintenance and upkeep of the center and answered various questions from the members.

**Old Business:**

*Survey Results:*

Melissa Moore spoke about survey results, the return rate so far has been good at over 50%. The Board and MRP are working diligently to find a direction for the facility and are trying to use the survey to determine which options are most popular. From those who replied she found that there were good demographic statistics. There was good representation from all types of owners, from full time residents to second homeowners all who have owned from less than one year to 10+ years. From the data Melissa found that there was fairly good return about using center but not for the open space and land surrounding the facility and there is still no obvious direction on what to do at this time.

According to the survey the hot tub was the most used amenity followed by the swimming pool, while the tennis courts appeared to be used less than most people had assumed. Tom Greisser asked how we were getting more responses on each question than we had people that returned the survey.

Melissa explained that there were multiple people who didn't use the forced ranking as intended and checked off many options. Unfortunately because the survey was paper and not online it may not have been clear to all who answered the survey. Melissa then explained the order of importance that people indicated through the results with the impact on property value as the number one choice followed by the cost of dues, potential for future special assessments, preserving the open space, and finally access to private health club facilities.

The final question was about what to do with facility. On the survey there were five feasible options and Melissa hoped that one or two would stand out, unfortunately that was not the case. Currently the number one choice was to upgrade to facility. Someone from the membership asked for a clarification on the difference between maintaining and upgrading the facility. Melissa explained that maintaining is what is being done now while upgrading is making changes to what we have with no expansion. The second choice was mixed development followed by maintaining the facility, demolishing the facility, and finally to expand and renovate the current facility. At this time the membership and Board feel that there is much more investigation that needs to be done on each option. Melissa asked the membership if there were any options that they felt could be taken off the table so that the Board and MRP could pursue expert opinions on the remaining options. Rick reminded the group that 67% of the membership must approve to make a change of this magnitude. Mixed development was discussed extensively for the educational and practicality aspects of this possible option.

**A motion was brought by John Karras (personal motion, not a motion of the Board) to move that the board of SCRC to act with all deliberate speed shut down the facility and to convert the property to different use, focusing specifically on deed restricted housing. The motion was seconded by Tom Greiser G8.**

**There were five in favor:**

**John Karras**

**Tom Grieser**

**Sue Tynan**

**Bud Johnson**

**Maxine Go**

**Dennis Bosio**

**Bud and Tom had five additional proxies**

**As all others oppose the motion doesn't carry.**

Further discussion:

Tom Grieser, Board member at Lakehouse, said that the condition of the facility has improved dramatically since MRP began managing the HOA. He expressed his concern that the Boards constantly get peppered with questions and concerns about dues. He would like to know where the figures are coming from because he's currently at a loss as to why the dues are so high per year. It is also touched upon that the facility definitely needs to be upgraded or remodeled but that the homeowners should try to retain some type of control. Jay Bauer brought up this issue of control of the area and expressed his concern with losing that control. He suggested that the HOA should maintain control so that they don't get something that would negatively reflect on the community. He suggested that the HOA not "blow it", make a hasty decision and then be stuck with having something that could be regretted in the future. Many homeowners encouraged the Board not to do anything to encumber the future sale of the property; the Board has agreed to not hinder the potential for future sale of the property.

**Nichole Guidi A10 put a motion on the floor to get the estimated figures for the top three options from the survey (A, C & D) and get them back to the members for further review, it was seconded by Allen Maruyama.**

**An amendment to the motion was presented by Mike Fosser to use a portion of the \$15,000.00 surplus from 2007 to hire a consultant to provide estimated figures for all five options. Within six months of the meeting there will be a new survey sent out with the figures from the consultant. **The motion was seconded by Mack A13 lakehouse.****

**There were 22 in favor  
Amendment to the motion approved  
Opposed  
John Karras  
Joanne Bower  
Meng Lim  
Sumio Go**

The appraiser said that the value would go down approx 15% if there was a dense 80 unit complex that came in. If the land is developed, a portion will be dedicated to deed restricted housing at 40% deed restricted 60% market value. The management company was against any presentations by any developers because it could influence the outcome of surveys this early in the process. There was concern about what type of people deed restricted housing brings into an area and how it affects property values. A show of hands by the members indicated that a majority of the attendees wanted to hear what the developer, Terry Simone, had to say. However, it was agreed that no financials or figures would be discussed.

Developer, Terry Simone who is currently the executive Vice President of Maxx Properties, said the county commissioners are in driver seat with this project but he believes the county is going to be receptive of “work force housing”. There are different types of deed-restricted housing, one example is working families that would like to own but cannot afford to. At this time the county recognizes the need and would be amenable to developing the land. There are multiple levels of deed restricted housing and the developer chosen will decide what to build meaning that the association would lose control in the decision making process.

*2007 surplus of funds:*

It is the feeling of board that we should move the surplus to the reserve fund. The Board thinks that putting the money in reserves will alleviate future dues increases as well as money for maintenance and repairs. If the decision were made to demolish the current facility the surplus would be equally refunded to all the members of the association. Melissa Moore said it was a good thing to keep the money in reserves for a contingency buffer for things such as legal and engineering fees. It is typical that 20-40% of the operating budget is best kept in a reserve account, depending on the age of the facility. There were various discussions on what to do with the 2007 surplus. A motion was made to use the 2007 surplus money to retain the required consultants needed to report back the costs of the five options proposed thus giving the membership an educated final decision they may cast their vote on.

***A motion is made by Mike Foster (C7) and is seconded by Allan Maruyama (A4). As all approved and none opposed the motion is granted.***

**New Business:**

*Election of directors:*

There is one vacancy on the Board as Peter resigned last month due to work and a new child. In addition there are two members, Paddy Brown and Melissa Moore, whose terms are coming due. Both Paddy and Melissa wish to remain members of the Board. Tim Tiefenbach was unable to attend the meeting but sent an email expressing his interest in the position. Jillian Campbell, MRP, read the email aloud to the members then opened the floor for other nominations.

**A motion on the floor by John Karras Lake Haus A12 and was seconded by Bill Seidler. As all were in favor and none opposed. The membership waives the right to secret ballots.**

Nominees:

- |                   |                  |
|-------------------|------------------|
| 1. Tim Tiefenbach | 8. Katie Brannan |
| 2. Melissa Moore  | 7. Paddy Brown   |
| 3. Tom Griesser   | 6. Dave Lawson   |

As there are six nominees for three positions on the Board the decision was made to use ballots so members could write their three top choices. After tallying the votes it is decided that

**Paddy Brown, Melissa Moore, and Dave Lawson are elected to the Board of Directors.**

**Budget Ratification:**

There is various discussion as to the expenses budgeted in 2008 but after lengthy debates a motion was made by Brian Healey and seconded by Allen Maruyama to accept the 2008 budget and reserve as presented.

**As the majority was in favor  
2008 Budget and Reserve Plan was approved and ratified as presented**

**Member education:**

*Developer's Presentation:* Refer to Developer's presentation in Old Business, Survey Results

Motion to bypass the formal reading by John Bauer and was seconded by John Karras Corporate standing for the Summit Cove Recreation Center Homeowners Association has been renewed for 2008.

**Other New Business:**

No new business.

**Adjournment:**

As no further business was presented, the meeting adjourned at approximately 1:30 p.m. I hereby attest that these minutes are a true and accurate account of the meeting thus held on August 9, 2008:

(signed) \_\_\_\_\_

(as) \_\_\_\_\_ (officer position)

(dated) \_\_\_\_\_