

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

RIVERWALK OPAL BUILDING ASSOCIATION, INC.

DECEMBER 4, 2003

The regular meeting of the board of the Riverwalk Opal Building Association, Inc.(hereinafter "Opal Assoc.") was held at 10:00 am, Thursday, December 4, 2003, Inn at Riverwalk Board Room, located at 27 Main Street Edwards, Colorado. Said meeting was held in accordance with the applicable statues of the State of Colorado.

Attendance The following Directors were present and acting:

- Keith Countryman R-301 (president)
- Debbie Christner Developer (vice pres.)

Also in attendance were:

- Bill MacFarlane Inn at Riverwalk
Property Management
- Daniel Siefers Inn at Riverwalk
Property Management

Call to Order Director Keith Countryman, noted a quorum was present and called the meeting of the Opal Association to order at 10:05 am.

Reserve Study This special meeting was held to review the reserve study prepared by Gillians, Inc. In the discussion Debbie Christner expressed concern that some items that were listed on the reserve study did not accurately reflect the correct building materials used and needed to be changed.

There is no wood siding –study mentions composite siding the actual material used is Cementis Board which has a longer life span of approximately 50 years and the study needs to be changed to reflect the extended life of this product.

Director Keith Countrymen wanted to know if the item on Page 3. Coating the balconies should be in the reserves these are limited common elements for the residential units and repairs should be their responsibility and not the associations.

The reserve study item on page 4, talks about the butt joist, and mentions the possibility of a potential problem no location was given and the board would like Gillians to outline exactly where maintenance concerns for these areas exist.

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The paint coating used on the Opal building is an acrylitex, which has a better fire rating and a longer life than the materials outlined in the reserve study the study needs to be changed to reflect the use of this paint over normal paint used. During the painting process the paint is mated in the drywall.

Finally, Director Christner provided the specs on the cementis & Acrylitex board to give to Gillians. ***Task: Dan Siefers is to contact Gillian's so that corrections can be made to the reserve study to reflect the items as outlined above by the board.***

Declarant's Control

According to the Dec's developer control is still in effect due the three trigger points have not been met in section 6.2 of the Executive Board (Page 15 of 41). ***Task: Debbie Christner , developer, said she would write a letter to the association on behalf of the developer Eagle II releasing control to the owners to appoint and remove officers and members of the executive board before the termination date according to the Dec's***

Finance's YTD

Dan Siefers informed the association that it did not have proper cash flow. This resulted from the need to pay 2004 building insurance in November for the full year of 2004. This advance payment created a cash shortage of \$6,000 according to the Balance Sheet November 30, 2003. Dan asked the board how they wanted to make up this short fall, since this will be a problem every year.

He suggested collecting one month of the working capital, an option that was left open to the board should a future need for additional revenues over and above the budget occur. Dan also suggested another way to collect was by implementing a special assessment.

Director Christner said she would prefer to collect working capital rather than a special assessment, due to how the assessment affects owner re-sale.

Item was tabled by the board until the annual meeting at which time they would see the final 2004 budget. Based upon how much the budget would increase they would decide on if and how they would collect the one month working capital. They feel it would most likely be spread over the first three months of 2004.

Late Fee's were discussed, Banner Sports owner Jill Sobol subtracted from her dues a maintenance item that paid for repairs

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on her A/C heating unit that was under warranty. Board determined that this needed to be paid. *Task: Dan Siefers has given a copy of the charges to Debbie Christner and Debbie contact Banner Sports Jill directly to work out the problem.*

Budget 2004

The board went through every line item on the proposed budget with the accountant Dan Siefers. They asked that Dan do a full year actual 2003 comparison to budget 2004. He would do his best to estimate the months January, February and March, no history for these expenses existed with the association only beginning its existence in April.

Board asked to see a variance column on the dues assessment by unit so all owners could see how much their dues went up in 2004. Also, Director Christner wanted to see a cost per square foot for commercial and residential added. *Task: Debbie and Bill (manager) will get square foot comparisons from all the other buildings to see how Opal dues compare with other buildings at present.*

Task: Dan Siefers to check formulas in dues assessment spreadsheet for calculating commercial and residential dues. The board felt they were increasing too much on the residential side compared to the commercial.

Election

Director Chris Davis position is up for re-election at the annual meeting next week. Keith will speak to Chris about this since he is not present and find out if he is interested in running again. The board feels he is very valuable with his knowledge of insurance.

Task: Property Management would send out a Proxy with all notices for the election.

Miscellaneous

R-402 – Furtado unit – Director Christner (Eagle II) informed board of vibrating issues being caused by the A/C unit outlined the proposed repair that will have to be done in the spring. She feels all repairs can be done from the exterior of the building via the units' deck. Present situation is a major problem for R-405 the Graves unit.

Punch List

Director Countryman and property manager continue to walk the building regularly checking on items to repair by the developer under the warranty period. Eagle II has done a good job on the original three page list, which is down to one page.

Adjournment

Meeting was adjourned at 10:45 am by Director Countryman