

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
ANNUAL MEETING
September 20, 2008
Dillon, Colorado**

I. ROLL CALL AND CERTIFICATION OF PROXIES

The meeting was called to order at 10:08 a.m. by Richard Garcia. A quorum was reached with 53 units represented in person and 37 proxies received.

Board members present were:

Richard Garcia, President, T106	Mike Kurth, Vice President, C101/S105
Cathy Brosius, Secretary, E106	Sylvia Dowty, Member, Y101
Bob Price, Member, G305	

Homeowners present were:

Priscilla Calahan, B204	Bridget Johnson, B301
Jean Capps, B303	Wanda Hitchcock, C301
Doug Hermanson, D102	Barbara Slater, E201/I305
Misty McMillian, E302	Barbara Ferguson, BB102
Bridget Crowe, F304	Carla Rigger, G205
Wayne Ryon, G306	Niki Collier, H306
Gail Wepfer, I102	Benjamin & Leah Roehrs, I106
Cesar Munoz, J102	Dru Griffin, O206
Paul Jones, N101	Deborah Hage, N305/Q205/Z104/BB203
Dolores Nelson, N306	Douglas Akerlund, P102
Russ Young, Q101/AA301	Margaret Garver, R106
Laura Hartman, R201	Robert Klea, S201
K. Woodward, S204	Mark O'Brien, S205
Deborah Burg, S301	Christina Stokes, T102
Guy & Deborah Lynes, T201	Lisa Watkins, T305
Rex Barnes, W104	Jennifer Heiman, W202
Damien Ruiz, W304	Martha Pirnat, X301
Edith Webster & Chris Heer, X204	Leo Vroble, X302
Dan Ulmer, X303	Renee Apfelbeck, Y103
Sonia Rojas, Y206	Marisa Migliore, Y303
Victor Lee, Z203	

Representing Basic Property Management were Dan Ulmer, Lanelle Barnett, Julian Brodie, Martin Cenicerros, Candy Ramage, Erin Griffin and Gary Nicholds. Erika Krainz of Summit Management Resources was recording secretary.

II. PROOF OF NOTICE

Notice of the meeting was sent in accordance with the Bylaws.

III. APPROVE PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the minutes of the September 22, 2007 Annual Meeting as presented. Marisa Migliore seconded and the motion carried.

IV. REPORTS OF OFFICERS

A. President's Report – Richard Garcia

Richard Garcia explained that this year there were a number of Reserve projects and he anticipated such expenses to be ongoing in the future due to the aging of the complex. Improvements included landscaping, siding replacement and deck replacement. The cost to the Association for the Building G fire was \$57,000. The total cost related to the fire was over \$600,000 for the six units. In the process of reconstruction, a few important building code requirements were identified. If the fireplace is removed it must be replaced with a catalytic fireplace. Also, upgrading to a 220 volt microwave oven requires rewiring of the entire unit as well as rewiring from the unit to the boiler room.

B. Vice President's Report – Mike Kurth

Mike Kurth assumed the Vice President position upon the resignation of Mike Immordino. He commented that the Association was in good financial condition.

C. Secretary's Report – Cathy Brosius

Cathy Brosius said she had been focusing on the grounds, tree planting along the ditch (ongoing), fence replacement and Rules and Regulations (she is looking for volunteers). She is a member of the Architectural Review Committee so requests for installing satellite dishes, fences and window replacement should be submitted to her. The forms are available on the website.

D. Member Report – Bob Price

Bob Price recognized Dan Ulmer, Julian Brodie and the other staff members for their efforts on the Association's behalf. He said the property looks great. The Board is looking at the ten year capital plan for major projects.

E. Real Estate Report – Sylvia Dowty

Sylvia Dowty said it had been a great couple of years for the Association in terms of real estate. The market has stabilized due to the current economic conditions. There are currently thirty-one units on the market, mostly one bedrooms, and three of which are pending sales. The prices are a little soft right now. Last year thirty-six units sold, most for full price. From a real estate perspective, upgrades and renovations pay off in the end as the units sell for a higher price and sell faster.

V. COMMITTEE REPORTS

A. Architectural Review Committee

Cathy Brosius said forms to request permission to make unit modifications were available on the website. The forms should be completed and dropped off at the Clubhouse. She encouraged interested owners to volunteer to join the Committee.

An owner asked about window replacement. She said replacement windows must have almond exterior frames and be consistent with the existing windows.

B. Buildings and Grounds Committee

Richard Garcia read a brief report from Glenn Johnson. The Committee has been working on weeding and mulching and built a retaining wall at the end of AA Building. Richard thanked Glenn for his time spent on landscaping around the property. Owners were encouraged to participate.

VI. MANAGEMENT COMPANY REPORT

Dan Ulmer provided a visual update on the projects completed in the past year.

A. Power Point Presentation

1. Replaced low light posts that were constantly being broken with a higher light post.
2. Redid berm by light post.
3. Improved landscaping at DVE entrance. Added a new irrigation system for the lawn, wired the lights under the asphalt and added flowers.
4. Repainted the complex sign.
5. Built a wooden landscaping box along the pathway.
6. Added delineators to keep cars off the grass.
7. Sealed asphalts in the parking lots and filled low spots to improve drainage.
8. Purchased new playground equipment (\$7,300).
9. Striped parking lots.
10. Added new exterior light fixtures.
11. Repaired or replaced damaged areas of siding and some of the decks (about \$80,000).
12. Replaced concrete pads outside of Clubhouse in front and back.
13. Replaced boilers, pipes and pumps in H Building (\$17,000) and in the Clubhouse. The new boilers are high efficiency and operate in stages. They have significantly reduced gas consumption. The Board has approved boiler replacement for three more buildings.
14. Worked with the irrigation ditch owner to remediate flooding of buildings. The ditch has been lined with a heavy rubber membrane and this appears to have resolved the problem.
15. Completed bike path from Clubhouse to A Building and improved existing areas.
16. Repaired concrete around porches.
17. Repaired irrigation in front of the Clubhouse.
18. Installed a new heating system in the pool room. Conversion of the heat exchanger for the hot tub is in progress. Added a new shower in the pool area.
19. Installed new patio doors in pool area.
20. Retiled the men's shower and steam room.
21. Starting to replace decks with a more modern style. The top rail will be Trex. The deck floors are being scraped and painted.

22. Some ground level fences have been replaced with Trex.
23. Comcast is installing new cable. The conduit on the outside of the building will be painted to match the trim. The exterior wiring has been completed but the interior wiring is still in progress.

Dan Ulmer mentioned that many projects had been completed by Basic Property Management staff. He calculated that the cost for the projects would have been \$394,575 if performed by outside contractors. Basic Property Management completed the projects using in house labor at a total cost of \$56,084 for a savings to the Association of \$338,491.

B. Basic Property Management Staff

Dan Ulmer introduced the BPM staff. Gary Nicholds is now an owner in the company and helps Dan out in the office. Erin Griffin is the Office Manager and handles the incoming calls. Martin Ceniceros is the new Administrative Manager and addresses rules enforcement and maintenance issues. Albert Amerin takes care of the electrical and plumbing needs and operates the heavy equipment. Lanelle Barnett is the CFO, CPA and Lead Accountant. She handles all budgets and financials. Candy Ramage is the Senior Accountant and she works with budgets and pays invoices. Julian Brodie is the on site Manager. Severiano Santiago, Francisco Lopez and the other on site staff maintain the property. Karina Chavez manages the office in the Clubhouse and lives in the rental unit.

C. 2009 Projects

Projects for next year will include continued siding replacement and painting, replacement of balconies, and recarpeting in eight more buildings (N, O, P, Q, R, S, T and BB). Three more boilers will also be replaced.

VI. FINANCIAL REPORT

A. Year-to-Date Profit and Loss as of August 31, 2008

1. Total Income - \$963,988 actual vs. \$957,779 budget. The positive variance was due to higher Delinquency Fees, Finance Charges and In-Unit Maintenance.
2. Total Expenses - \$1,103,450 actual vs. \$1,141,514 budget. There are some outstanding invoices. Boiler Repairs was \$7,052 under budget and Damage Claims was \$20,737 over budget. Exterior Painting was \$45,000 under budget, Recarpet Hallways was \$15,000 under budget and Repaint Hallways was \$8,000 under budget, but these variances were all due to timing of the projects. Gas was \$41,697 over budget and Snow Removal was \$4,965 over budget due to the heavy snow year.

B. Year-to-Date Reserve Profit and Loss as of August 31, 2008

1. Total Income - \$208,906
2. Total Expense - \$233,042. Expenses included Playground Equipment - \$7,200, Siding Replacement - \$39,500, Balcony Replacement - \$60,450,

Boiler Upgrades - \$51,296, Concrete Repair - \$18,100, Comcast Molding - \$15,000, Sidewalks - \$36,600 and Paving - \$49,000.

The Board is now in the budgeting process for next year. It is anticipated that dues will be increased 3 – 6%.

Mark O'Brien recommended changing the fiscal year in the Bylaws so owners can be allowed to vote on the Budget. Richard Garcia said the Board would take this into consideration.

Margaret Garver asked how owners could contact the Board. Owners can attend the Board meetings, send email or make contact through the management company.

Sylvia Dowty made a motion to approve the Financial Report. Dru Griffin seconded and the motion carried.

VIII. ELECTION OF MANAGERS

The terms of Richard Garcia, Bob Price and Paul Hage expired this year. All three Board members and Jeff Schramm were nominated by the Nominating Committee. There were no other nominations received from owners.

Richard Garcia read statements from Paul Hage and Jeff Schramm, who were unable to attend due to work and family commitments. Bob Price and Richard Garcia introduced themselves and provided biographical information.

Secret ballots were tallied and Richard Garcia, Bob Price and Paul Hage were re-elected.

IX. NEW BUSINESS

A. Bylaws Amendment

The Board presented a proposed Amendment that addresses penalties for late dues payments. The current penalty fee is \$10 and the Board is considering increasing it to \$200 or \$300; the Board will determine the appropriate amount and the timeline for imposing the penalty. An owner suggested setting parameters for the minimum and maximum amount of the penalty. Richard Garcia explained that the Board wanted to leave the amount flexible so this Amendment does not have to be changed again in the future. Several owners spoke both in favor of and against the proposed Amendment. Owner suggestions included setting the fee based on a percentage of the particular unit's dues, sending a statement whenever a late fee is assessed so owners are aware and an escalating fee structure for repeat offenders.

Dan Ulmer recommended that owners drop off their payments at the Basic office in Silverthorne rather than in the Clubhouse to ensure payments are processed in a timely fashion. Sylvia Dowty pointed out that there was consistently a \$40,000 delinquent balance. She explained the foreclosure guidelines, noting that the Association can only collect six months of dues in a foreclosure, regardless of how much is owed. A motion was made and seconded to end discussion on this matter.

The motion carried. Ballots were tallied and the Amendment carried with 113 in favor and 59 opposed. A request was made to provide details of the proxy votes by the next meeting. Richard Garcia said he held four proxies and all other votes were cast by the owners present and from the absentee ballots.

B. Parking for Three Bedroom Units

Carla Rigger read a prepared statement requesting an additional parking space for three bedroom units, emphasizing that the three bedroom units pay considerably more in dues than the smaller units for only a small amount of additional living space. Wayne Ryon said he served on a committee two years ago that was charged with surveying the parking lots to identify additional parking areas. He found there was adequate space to expand the parking lots and that parking is not controlled by the County or Fire Marshall. Bridget Johnson commented that there is often no parking available in her lot late at night. An owner suggested reallocation of the unused existing spaces from smaller units. Barbara Slater said she felt she was being penalized by not having adequate parking for her three bedroom unit. An owner asked if a cost study had been done for adding more spaces. Richard Garcia said the Board had determined that expansion of some of the lots would require adding a third lane for parking. Bob Price said the Board was aware of the concerns of the three bedroom owners but the Board had requested a plan from the committee that could be submitted to contractors for estimates. This type of plan was never provided. The plan would have to address potential locations, drainage and safety. Dan Ulmer said the root cause of the problem was excessive occupancy in rental units.

Carla Rigger made a motion to provide an optional second unassigned parking space to three bedroom unit owners only. Wayne Ryon seconded. In discussion, an owner commented that the motion did not specify where the spots would come from. Chris Heer felt the motion was premature since there was no plan in place to execute it; she suggested that the committee finish the study, including the information requested by the Board, and then present it to the Board. Lee Vroble said adding another parking pass would only compound the main issue, which is unit occupancy. Wayne Ryon stated that the Board had disbanded the committee. Bob Price commented that the Parking Committee was dissolved by the BOM after approximately 3+ months as a result of failure to present a complete, executable plan that the BOM could consider for implementation. The meeting at which the committee was dissolved, the chairman of the committee was not present, and no representative was prepared to report. The owners voted on the motion: studio unit owners- two in favor, none opposed; one bedroom unit owners – nine in favor, thirteen opposed; two bedroom unit owners – three in favor, seven opposed; three bedroom unit owners – eight in favor, two opposed. This vote must be tabulated based on the percentage of ownership of each unit, so the results will be provided to the owners after this has been done.

C. Sidewalk to A Building

An owner thanked the Board for completing the sidewalk to the A Building.

D. Security Doors

Dolores Nelson said the security door to her stack is very difficult to open. Bob Price said the key blank for the security door is a different blank (a bit longer) than the interior door. He recommended getting an original and the code number for the appropriate blank. When the doors are replaced, any bad locks will be replaced at that time. Rex Barnes recommended having the key cut in thousandths, not hundredths, which can be done at Home Depot or Big Horn.

E. Plumbing Issue

Cesar Munoz was told by his plumbing company that they had problems getting the water turned off in his unit. He was told that Dillon Valley East has a reputation for being uncooperative with contractors. Kim Woodward said she had a similar experience. Management was asked to address this issue.

F. Parking

Kim Woodward complained about lack of enforcement of the parking rules. She believes there are some repeat offenders. Margaret Garver asked if all lots would be expanded. Dan Ulmer said there had been an ongoing program to try to add parking spots, but not this year as attention was focused on asphalt maintenance. Richard Garcia said the Board looked into several options including a boot or a security guard, but they felt there would be a potential safety issue for the individual charged with boot removal and the job was not big enough interest a professional security company. Niki Collier suggested instituting a neighborhood watch program. Dan Ulmer said such a program existed in the past but the population was too transient and it was disbanded. It could be resurrected if there is interest.

G. Operating Surplus

Barbara Slater made a motion to transfer any 2008 Operating surplus forward to the 2009 Operating budget. Rex Barnes seconded and the motion carried.

H. Green Initiative

An owner asked about green initiatives. Dan Ulmer said some lighting fixtures were replaced with more energy efficient models. The new boilers are highly efficient and in fact Xcel inspected the meter for the pool twice because they could not believe the drop in consumption following installation of the new boilers.

X. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, September 19, 2009 in the Dillon Valley East Clubhouse, time to be determined.

XI. ADJOURNMENT

Rex Barnes made a motion to adjourn at 12:55 p.m. Cathy Brosius seconded and the motion carried.

Approved By: _____
Board Member Signature

Date: _____