

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
January 19, 2005
Dillon, Colorado

Board members present were Richard Garcia, Sylvia Dowty, Donald Jones, Tom Nickerson, Gregg Pooley and Ed Lee.

Homeowners present were Mike Immordino (E203), Horst Meissner (Y304), Julie Jones (B301), Paul Hage (BB203, N205 and Q305), Tony Biancarosa (Z304 and Z305), Gloria Wisser, Julie Bollinger (T206), Don and Laurel Gardy (X202), Carla and Gary Carter (I302), and Rob and Latonya Hill (G204).

Representing Basic Property Management were Julian Brody, Dan Ulmer and Lanelle Barnett. Erika Krainz was recording secretary.

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I. CALL TO ORDER

The meeting was called to order at 7:04 p.m. by Richard Garcia.

II. APPROVAL OF PREVIOUS BOARD MEETING MINUTES

Tom Nickerson made a motion to approve the minutes of the November 17, 2004 Board Meeting as presented. Sylvia Dowty seconded and the motion carried. Sylvia Dowty made a motion to approve the minutes of the December 18, 2004 Board Meeting as presented. Tom Nickerson seconded and the motion carried.

A. Comments from the Floor

Julie Jones asked if the management position working hours would be staggered so there is someone on site at night when most of the rules violations tend to occur. Dan Ulmer said he would take it into consideration.

III. BOARD VACANCY

Chris Janz resigned from the Board in November. Mike Immordino had expressed interest in serving so Richard Garcia appointed him to serve the remainder of Chris' term, expiring in September 2006.

IV. RESIDENT MANAGER'S REPORT

A. Staff Changes

Dan Ulmer said Rob Crowe had resigned his position for another business opportunity. Julian Brody has taken over as Manager for the property and Dan is in the process of interviewing to fill Julian's position.

Dan said the staff had been working hard to manage the snow and ice, and in the process they have used almost three pallets of ice melt (about 1.5 tons).

B. Delinquencies:

Dan Ulmer reported the total current delinquent balance was \$25,154. The unit with the largest amount due will go into foreclosure and the owner carrying the loan will take possession. The Association will get six months of dues. Several other delinquent owners are making payments and trying to get caught up. One other owner has been served and the unit will go into foreclosure.

V. TREASURER'S REPORT

Donald Jones said he had recently reviewed the financial records and in the process he identified a few areas of concern, explained in detail in the Treasurer's Report:

1. The Association has paid about \$1,500 in late fees and finance charges since June. He requested that Basic account for such fees separately on the financial reports, and that the due date for each bill also be indicated.
2. Bids should be obtained for all major repair projects. About \$16,000 has been charged to the Association for projects done by Basic, including the retaining wall, exterior lights, trimming, siding, banding and major boiler repair. He asked Basic to provide copies of the bids for the projects and records of the expenditure approval by the Board.
3. The Reserve balance is currently \$97,145 with \$48,529 loaned to the operating account. Donald recommended reducing expenses for the coming year to \$30,000 in May and \$30,000 in August to increase the balance.
4. The Association switched to an accrual basis from a cash basis a few months ago. The accrual-based accounting is more complicated and he thought it might be advisable to change back to a cash basis.

He listed a few general concerns he had about the management company:

1. The information flow is not always timely regarding the budget and financials.
2. The common areas are not being kept clean consistently.
3. The collection on delinquent accounts has not been pursued.
4. Rules and Regulations enforcement has been inconsistent, especially on weekends and at night.

Donald Jones made a motion to solicit bids from other management companies in order to compare the value of the services being provided.

Sylvia Dowty made a motion to accept the Treasurer's Report. Ed Lee seconded. In discussion, Ed commended Don for his work on the report. Richard Garcia said he would need to review the concerns with Basic, since he had not seen this report prior to the meeting. The motion to approve the Treasurer's Report carried.

Discussion resumed regarding the motion to solicit management bids (as the motion was made by a member of the Executive Board, a second was not required). Tony Biancarosa asked if Dan Ulmer had seen this report prior to the meeting and Don responded he had not. Tony felt Dan should be given a chance to respond to the issues. Sylvia Dowty agreed, and pointed out there were not many management companies qualified to handle

a property of this size. She felt Basic has done a great job managing the property to this point.

Ed Lee thought there might be a need for tighter financial management on the part of both the Board and Basic. He suggested the Board should first address the overall subject represented by the issues, i.e. the management of cash and accountability thereof, and what type of changes would need to be made per the comments. Until that is done, he felt it would be premature to solicit bids. Gregg Pooley agreed.

Sylvia Dowty said the Board might also want to review the move from the cash to accrual basis. She concurred that the accrual based accounting system was more difficult to understand.

Dan Ulmer said he would need some time to review the comments in the Treasurer's Report, but pointed out that the Board hired an independent auditor to review the books in 2003 and no problems were identified. Second, there were some unbudgeted and unplanned projects done, but they were done with in-house labor on Association time. He said he would be willing to review all the financial records with any interested Board members.

The motion to solicit management company bids did not carry with one in favor and four opposed.

Richard Garcia said he would arrange a meeting with Basic and any interested Board members to discuss the items on the Treasurer's Report.

VI. FINES AND HEARINGS

Dan Ulmer reported that there were four rules violations and thirty parking violations during the past month, but no fines were assessed.

VII. BUILDINGS/GROUNDS/LANDSCAPING COMMITTEE

Julie Bollinger said the staff had worked very hard to keep the snow banks pushed back and did not contract for any heavy equipment, saving the Association about \$600. A backhoe was rented for one week at a cost of \$620 to do the work (heavy equipment would have cost \$1,200 for one day of work). Plowing will be done with the diesel truck whenever possible.

VIII. OLD BUSINESS

A. Security Inspection, Hallway Cleaning and Boiler Inspection Books
Julie Bollinger said she signed all inspection books. The hallways were vacuumed today.

B. Rental Unit Committee
Donald Jones said the Committee decided not to increase any fees for rental owners. The Committee also discussed increasing the fines being charged for

various violations. Another idea discussed was utilizing a stricter lease. There is a "crime free" addendum on Denver property leases which allows for removal of any tenants who commit crimes. The next meeting will be on January 29, 2005 at 1:00 p.m. to discuss the lease addendum and fine structures. Donald requested Board approval to forward any proposals from the meeting to the attorney for review so it can be discussed at the February Board meeting. Richard Garcia said he thought the information should be brought to the Board first. Sylvia Dowty noted many leases expire at the end of ski season in April, so the Board would have a few months to make their decision. Ed Lee said he would support having the attorney review it first so the Board knows the ideas being discussed would be legal.

Ed Lee suggested the Board require renting owners to provide a copy of their lease to the Board. Tom Nickerson said this had been discussed in the past.

The Board authorized Donald to forward the list of proposals to the attorney once it has been refined by the Committee.

C. Johnson Unit Modification Request

Richard Garcia provided a copy of a proposed Resolution to allow alteration of units. He drafted the Resolution using the CCIOA document as a guideline.

Gregg Pooley made a motion to accept the Resolution as presented. Tom Nickerson seconded and the motion carried. The Resolution will be signed by the Board President and recorded with the County. The Resolution applies to all owners in Dillon Valley East. A copy will be included as an addendum to these minutes.

An architectural change agreement was also drafted and will be signed by the Johnson's.

D. Convert Short Term Parking to Paid Long Term Parking

Donald Jones said he did not have any new information to present. Tom Nickerson made a motion to table this issue until the July meeting. Donald Jones seconded and the motion carried.

E. Owner of Unit X202

The owner has not responded to the invoice and demand letters regarding the \$3,805 expense for the repair of water damage. Dan Ulmer recommended turning the issue over to the attorney to be handled like a delinquency. Dan was directed by the Board to have the attorney write the owner a letter.

IX. NEW BUSINESS

A. Resolution for Fines and Hearings

Rich Garcia postponed this issue for another month.

B. Property Management Contract

The new management contract with Basic was signed for a three-year term starting in January 2005.

C. Parking Permit

Ed Lee provided a sample of the temporary parking permit. He suggested that "No Back-In Parking" be printed on the tag. Rich Garcia reviewed how the numbering system for parking spaces and tags was developed. Management was asked to get a bid to convert the entire complex back to traditional parking space numbers. Julie Jones noted there should be street numbers on the ends of the buildings as required by the Fire Department. An owner proposed providing a map in the Clubhouse indicating where cars should be parked. Mike Immordino suggested leaving "Dillon Valley East" off the tag for security reasons.

X. SET NEXT MEETING DATE

The next Board Meeting will be on *Wednesday, February 16, 2005 at 7:00 p.m.* in the Dillon Valley East Clubhouse.

XI. ADJOURNMENT

The meeting was adjourned at 8:25 p.m.

Approved By: _____ Date: _____
Board Member Signature

Addendum

DVE Treasurer's Report December 31, 2004

The following is a summary of the Dillon Valley East financial condition for January through December, 2004.

ASSETS	
Current Assets	35,057.51
Allocated Reserves	145,673.51
Fixed Assets	<u>174,429.70</u>
Total Assets	<u><u>355,160.72</u></u>

LIABILITIES/FUND BALANCE	
Liabilities	175,149.53
Operating Fund Balance	34,337.68
Replacement Reserve Fund Balance	<u>145,673.51</u>
Total Liabilities/Fund Balance	<u><u>355,160.72</u></u>

Year-to-date operating income and expense actual vs. budgeted amounts:

	Actual	Budget	Diff
Income	1,161,737.27	1,154,146.00	7,591.27
Expenses	<u>1,198,076.66</u>	<u>1,151,646.00</u>	<u>46,430.66</u>
Net Income	<u><u>(36,339.39)</u></u>	<u><u>2,500.00</u></u>	<u><u>(38,839.39)</u></u>

The largest areas of expense overages were due to utility rate increases, insurance rate increase, and several sewer backups and broken pipes.

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
February 16, 2005
Dillon, Colorado**

Board members present were Richard Garcia, Sylvia Dowty, Donald Jones, Tom Nickerson and Mike Immordino.

Homeowners/tenants present were Tony Biancarosa and Gloria Wisser (Z304 and Z305), Julie Bollinger (T206), Barb and Glenn Johnson (S104 and S105), Don and Laurel Gardy (X202), Jean Buckman (Q303), Lee Vroble (X302), Dan Mills (I103), William Pifer (T101), Sabino Blanco (AA103), Jacob Suskewicz and Jason Greenhouse (O202), and Adam Robinson and Joe Mondello (P104).

Representing Basic Property Management were Julian Brody, Dan Ulmer and Lanelle Barnett. Erika Krainz was recording secretary.

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I. CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Richard Garcia.

II. APPROVAL OF PREVIOUS BOARD MEETING MINUTES

Tom Nickerson made a motion to approve the minutes of the January 19, 2005 Board Meeting as presented. Mike Immordino seconded and the motion carried.

A. Comments from the Floor

Lee Vroble presented a resolution requesting replacement of the side door panel that is still damaged. Richard Garcia asked Julian Brody to follow up.

Dan Mills said he spoke to Robert Crowe about storage of his kayak on his balcony a few months ago. He was told it needed to be moved but it is too long to store under the stairs so he requested a variance. It is hung from two hooks just like a bicycle. Dan Ulmer said the Rules did not allow anything to be visible above the handrail and suggested storing it behind the garage instead. Dan will work with Julian Brody to locate a storage area.

Jacob Suskewitz described an incident involving him and his roommates at the Clubhouse. They were thrown out by the Manager, their privileges revoked and the Sheriff was called. He did not feel the matter was handled appropriately. Richard Garcia said he would make sure the privileges were reinstated. Jacob was informed he must contact his leasing agent to get the appropriate membership card.

William Pifer said his unit was infested with roaches so he had the unit sprayed. He recommended the surrounding units be inspected and exterminated as needed.

Sabino Blanco said he had a problem for several months with a leak coming from the unit above his. Dan Ulmer said the leak had been fixed. Sabino did not think it should have taken over four months to get repaired. He has also had an ongoing problem with excessive noise in the unit above him. The owner of the unit above him said she would ask the tenants to move if directed to do so by the Board. Rich Garcia said the Board would review Gustavo's written documentation of the complaints and contact her.

III. RESIDENT MANAGER'S REPORT

Julian Brody provided a written summary of management activity (attached). He said there had been numerous leaks caused by collapsing copper pipes, especially in the G Building. He anticipates there will be more deterioration in the coming years in other buildings due to aging.

He would like to replace all the top valves because they are deteriorating. Rich Garcia asked him to include this on his project list.

The moisture damage in Unit T101 was cleaned up. The seven incorrect building numbers will be replaced.

A. Delinquency Report

Dan Ulmer reviewed the Delinquency Report, noting there were ten units with significant balances. One unit (\$4,716 delinquent) is under contract and is due to close soon. Four are making regular payments to get caught up. Donald Jones requested that the credit balances be reflected as liabilities. Lanelle Barnett agreed to make that change to the reports.

IV. TREASURER'S REPORT

Donald Jones reported that as of the end of January the Association was \$8,988 under budget with an operating balance of \$8,148. He recommended allocating \$4,124 to the Reserve account each month to start paying back the loan.

As of the end of January the Reserve account balance was \$108,919. There is an outstanding loan from 2004 to the Operating account of \$48,507. There are no large projects forecasted for March and April.

The Gas bill increased from about \$18,000 for October to \$32,409 in December. He walked the property and found there were over forty open sliding doors and/or windows. He requested that residents turn down the thermostat instead of opening the windows. He also asked residents to contact management about any excessive or inadequate heating issues. Donald noted owners should not turn off the heat entirely during the winter to avoid frozen pipes.

Tony Biancarosa requested copies of the actual Balance Sheet and Income Statement in addition to the Treasurer's Report.

Tom Nickerson made a motion to accept the Treasurer's Report as presented and to address the recommendation regarding repayment of the loan in New Business. Sylvia Dowty seconded and the motion carried.

V. FINES AND HEARINGS

Dan Ulmer reported that there were fifty warnings issued and one potential fine to AA203 for disturbance.

VI. BUILDINGS/GROUNDS/LANDSCAPING COMMITTEE

Julie Bollinger suggested the Board consider raising the fines considerably in order to help with enforcement.

VII. OLD BUSINESS

A. Security Inspection, Hallway Cleaning and Boiler Inspection Books
Julie Bollinger said she signed all inspection books.

B. Rental Unit Committee

Donald Jones said the Committee met on January 29th and had a long, productive meeting. Turnout was not as good as the first meeting with only about ten in attendance. The Committee supported attaching the "Crime Free Addendum" to all leases. He also presented a proposal for a standardized lease. The next step will be to have the lease reviewed by an attorney, and then to incorporate a policy wherein the standard lease and addendum must be used and copies provided to management. This should be ready for review by the Board by the next meeting.

Dan Ulmer explained the use and benefit of the "Crime Free Addendum". Gloria Wisser suggested having the Crime Free Addendum translated into different languages. Dan said this could be done after approval by the Board and attorney. It will also be uploaded to the website.

Val Crangle was recognized for her efforts on this project.

C. Johnson Unit Modification Request

The Resolution has been recorded with the Summit County Clerk. Barb Johnson thanked the Board for their work on this project. She provided copies of the architectural drawings and signed inspections for the project. She invited the Board to stop in to see the final results.

D. Owner of Unit X202

The owner has not responded to the invoice and demand letters regarding the \$3,805 expense for the repair of water damage. The issue has been handed over to the attorney.

- E. *Structural Problem in Unit A205*
The owner has not responded to the demand letter. Dan Ulmer said he would have to find a contractor to finish the work.
- F. *Parking Permit Change Bids*
Dan Ulmer proposed adding the unit numbers above the existing numbers on each parking spot.

VIII. NEW BUSINESS

- A. *Resolution for Fines and Hearings*
Rich Garcia said there had been a change in the way the fines are issued and he did not feel the Resolution was necessary at this point. This Resolution could be revisited at some time in the future if necessary. The Board agreed to table this issue indefinitely.
- B. *Indemnification Agreement between DVE and Summit County*
Rich Garcia explained the walkway was on the Summit County right of way so the Association probably did not have much of a choice.

- C. *Contract Amendment*
The new management contract was signed for a three-year term starting in January 2005. Rich Garcia reintroduced an Amendment that was created last year. It specifies that Basic Property Management staff will be allowed to perform heavy duty work on the property, instead of only outside contractors.

Tom Nickerson made a motion to accept the Contract Amendment. Sylvia Dowty seconded and the motion carried (copy attached).

- D. *Loan Repayment*
Donald Jones made a motion to start repayment of the loan to the Operating account from the Reserve account through a \$4,124 monthly transfer. Tom Nickerson seconded and the motion carried.

IX. SET NEXT MEETING DATE

The next Board Meeting will be on *Wednesday, March 16, 2005 at 7:00 p.m.* in the Dillon Valley East Clubhouse.

X. ADJOURNMENT

With no further business the meeting was adjourned at 8:15 p.m.

Approved By: _____ Date: _____
Board Member Signature

Resident Manager's Report. Board Meeting Feb 16, 2005

Clubhouse:

- 1- Replaced two boilers tubes for Clubhouse main boiler. Work done by in house labor.

Buildings:

- 1- A water leak in B-102 was repaired. The leak caused damage to drywall, repaired, Texture and painted. Work done by in house labor.
- 2- A water leak in AA-203 caused damaged to AA-103 was repaired. Dry wall damage and texture was repaired, and also repainted. Done by in house labor. Bill was sent to owner of AA-203.
- 3- Glycol leak in Q-304 caused damaged to Q-204. It was repaired and billed owner of Q-304.
- 4- A water leak in G-105 was repaired. Drywall and texture. In house labor.
- 5- A water leak in G-103 was repaired. Drywall and texture. In house labor.
- 6- Water leak in H-101 was repaired. Four Kings was called to clean up water damage. We also had drywall damage. We are in the process of completing repair.
- 7- A water leak in O-201 was repaired. The leak caused damage to unit O-101. Repaired drywall damage and called Four Kings to clean up water damage. Bill was sent to owner of O-201.
- 8- In T-101 water damage was repaired and drywall texture.
- 9- Installed building numbers on all main building from A to BB.
- 10- Towed 4 cars.
- 11- Gave out 50 warnings.
- 12- A warning with a proposed fine was given to the tenant of AA- 203 for disturbance. Owner of AA-103 called the police for the disturbance.

Basic Property Management Contract Modification

Richard Garcia proposed a motion to change Section V, Major/Special Projects to allow Basic Property Management staff to do heavy maintenance, since they now have the necessary training and equipment.

The only change is in the sentence:

“When such events or projects occur, they shall be done by outside contractors, **not** Basic personnel, and at Association expense”.

The amendment would change the **not** to **and/or**.

A motion was made to approve the amendment by Richard Garcia and seconded by Thom Nickerson. The motion was carried.

Notes from the Pres.

As we approach spring, your Board of Managers is working with our property management company, Basic Property, to line up projects for spring, summer and fall. The dumpster enclosures will be completed and several building entrance doors will be replaced. In March, we will have specific information about which doors will be replaced. We may not complete the walkway east of the clubhouse due to price increases and budget constraints. Our focus is to grow our financial reserves.

Why a reserve fund and what is it?

A reserve fund is a replacement fund for major items that will eventually wear out and need replacement. It is not a repair fund. Some may wonder why they should contribute to items that may not need to be replaced for several years. The answer is: You pay a little now, or pay a lot later in the form of an assessment. I am talking about \$10,000 to \$15,000 assessments.

A Reserve Fund:

- Meets legal fiduciary and professional requirements.
- It provides for the planned replacement of major items that must, at some point in time, be replaced.
- Major items deteriorate during use. Although a roof will be replaced when it is 25 years old, every owner who lived under it should share its replacement costs.
- It minimizes the need for special assessments. Owners, especially those on fixed incomes, may have limited resources. They may be unable to afford the large special assessments necessary for major replacements.
- A replacement fund enhances resale values. Lenders and real estate agents are aware of the ramifications for new buyers if the replacement reserves are inadequate.

Parking

In case you have not noticed, parking is at a premium. Several units have multiple tenants to share expense and each tenant usually brings along their own vehicle and believes they have a right to park in their parking lot. The rules have not changed. Each unit is allowed two (2) parking spaces in their respective parking lot. All other vehicles must be removed from the parking lot. We understand that guests take up space. But that is usually for a few hours. Long term guests (One or more days.) should park their vehicles at the clubhouse after getting the OK from the clubhouse staff. By the way, owners are responsible for their tenant's behavior. A vehicle receiving a fine will cause action against the owner of the unit.

Vehicles without parking passes, not registered, having expired tags, or parked incorrectly will be warned, and then fined or towed. If the vehicle is not registered with the clubhouse, it will be towed at the expense of the owner. Towing charges are at \$250.00 with storage fees added on.

Security Doors

The entrance doors to the buildings are called security doors. They provide access to multiple units. Propping the doors open for loading and unloading is OK. But to prop the door open and not be around invites intruders to enter and do harm. If you find the door for your building has been propped open with the responsible person not nearby, please report the situation to the clubhouse. If two out of three people in a stack make a report, then by elimination we can find the culprit and educate them with a warning or fine.

Thank you,

Richard Garcia
President
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING**

**March 16, 2005
Dillon, Colorado**

Board members present were Ed Lee, Sylvia Dowty, Donald Jones, Tom Nickerson and Mike Immordino.

Homeowners present were Julie Bollinger (T206), Barb and Glenn Johnson (S104 and S105), Don and Laurel Gardy (Z202), Lee Vroble (X302), Paul Hage (BB203, Q205, N305), Carla Rigger (G205), and Tom Lorenz (X103).

Representing Basic Property Management were Julian Brody and Dan Ulmer. Erika Krainz was recording secretary.

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I. CALL TO ORDER

The meeting was called to order at 7:20 p.m. by Tom Nickerson.

II. APPROVAL OF PREVIOUS BOARD MEETING MINUTES

Sylvia Dowty made a motion to approve the minutes of the February 15, 2005 Board of Managers Meeting as presented. Ed Lee seconded and the motion carried.

A. Comments from the Floor

Lee Vroble asked about the status of the letter he sent regarding the rental lease. Tom Nickerson said the Board was still in the process of reviewing the lease. Once the review is completed the Board will contact the owners regarding inclusion of the lease in the Association documents. Lee noted that the Committee members might like to see the final product. He felt there was an opportunity to address the two primary concerns, i.e. demographics and density. He believes these two issues need to be addressed or the other problems will never be resolved. Tom said he would circulate the letter to all Board members.

III. RESIDENT MANAGER'S REPORT

A. Leaks in G Building

Julian Brody stated there were major leaks in the G Building. Every lower unit had a leak in the main line. Dan Ulmer explained that the copper pipes were starting to develop pinholes, resulting in six leaks in a one month period. So far only the G Building has experienced the problem. Ed Lee predicted there would be more leaks and asked what prudent action should be taken, such as replacement, to minimize the damage. Julian said he did all the work in-house, including the plumbing and sheetrock. He cut out the bad pipe sections and soldered in new pipe. Ed felt this was a temporary solution. There does not appear to be any pattern in the location of the leaks.

Dan Ulmer noted the unoccupied units were checked regularly for evidence of leaks, but inspecting the actual pipes would require cutting holes in the ceilings and walls, which would then have to be repaired. Dan recommended taking further action if the leaking gets worse, but otherwise to wait and watch. Ed Lee asked if an engineer/plumber could help develop a plan for the future. Dan said he could contact Tom Hill.

B. Zone Valves

Julian Brody said Roy Rodgers was not manufacturing any more zone valves, so any valves needing replacement must be converted to the Honeywell valve, which is more expensive and requires some new piping. He has a few more Roy Rodgers valves in inventory. Each replacement costs several hundred dollars because the entire heating system has to be shut down and drained. Donald Jones suggested paying a company to reverse engineer a valve that is compatible with the Roy Rodgers fitting since there over 400 of them around the complex. In the last two years Julian has installed about 24 zone valves. Home Depot is searching for more Roy Rodgers valves.

C. Carpet Cleaning

This weekend Julian Brody will rent a large carpet cleaning machine to clean the entryway of the Z Building. He will track the time spent to determine if it would be cost effective to purchase a machine and do the work with in-house labor. This would necessitate hiring more staff, which will be factored into the cost.

Dan Ulmer mentioned that his goal as management has been to do as much work as possible in-house. He cannot do anything that requires a permit, however, since such work requires a license.

D. Common Area Painting

Julian Brody has started painting the common areas, commencing with the A Building. He is also staining the front doors and trim. After the common areas are painted the carpet will be cleaned.

E. Shut Off Valves

This summer new shut off valves will be installed on every water line coming into the buildings. It should cost about \$30/building for the parts, plus in-house labor.

F. Delinquency Report

Dan Ulmer reviewed the list of delinquencies, noting the first twelve listed were of primary concern. The first unit listed sold at auction last week so the Association should receive some of the dues shortly. The second unit is under contract so the total amount due should be collected at closing. The third amount is being paid off slowly by the owner and the courts. The fifth unit listed is new to the list and will end up in foreclosure. The sixth delinquency has to do with

engineering expenses and he will discuss it in more detail later during the meeting. The seventh unit listed was delinquent in the past; the owners paid off the balance but they are now back in the same position. The next three listed are making payments. All the remaining units are new to the list. Dan clarified that the lien letter is sent after the third missed payment (90 days).

IV. TREASURER'S REPORT

Donald Jones reported the Association was under budget by \$6,239 last month with an Operating checking account balance of \$2,616. Accounts Receivable is at an all time high of \$42,467. The Reserve Fund is getting healthier with a current balance of \$124,578. The loan balance was decreased last month. There are no large expenditures forecast for April or May. Questions about the financial reports should be emailed to Donald.Jones@dillonvalley.org. He would like to continue to pay down the loan at \$4,124 per month.

Ed Lee made a motion to approve the Treasurer's Report as presented. Mike Immordino seconded and the motion carried.

V. FINES AND HEARINGS

The previous tenant of Unit O101 was present. His security deposit was retained by his management company when he moved out due to outstanding parking violations. He was fined \$50 twice in July 2003 for parking violations, but the cars did not belong to him. Donald Jones did not feel the Board should absolve the fines because the issue was between the tenant and his management company. Ed Lee suggested the Board make an official statement that no further action is necessary.

Julie Bollinger suggested keeping a log of each fine as well as the resolution of each for the records. Dan Ulmer said he could access the information from the system. In addition, she suggested owners be reminded that they are responsible for updating their car registration information and for making sure their tenants know to register. Dan said Gustavo was working on this project.

VI. BUILDINGS/GROUNDS/LANDSCAPING COMMITTEE

Julie Bollinger requested information about the flower budget for the coming summer. Tom Nickerson said the Board had not yet discussed it. Donald Jones encouraged her to submit suggestions.

Barb Johnson recognized the staff for their efforts in removing snow and ice.

VII. OLD BUSINESS

- A. *Security Inspection, Hallway Cleaning and Boiler Inspection Books*
Julie Bollinger said she signed all inspection books.

B. Rental Unit Committee

Donald Jones said the Committee had completed its task and the information was now with the Board for review. Eventually the document will be put up on the website, but it has not yet been finalized. Tom Nickerson said the document would probably be sent back to the Committee at least one more time. Donald Jones objected to this course of action, stating it was not necessary. He resigned from the Rental Unit Committee. Tom agreed to post it on the website instead for comments from the Committee. Any questions or comments should be directed to Dan Ulmer. A hard copy will be made available for all owners to review once it has been finalized.

C. X202 Water Damage

A tenant installed a water line improperly and flooded the unit below (X102). Management is joining the lawsuit with the insurance company to get damages. The Association attorney is communicating with the tenant's attorney.

D. A205 Attorney Fees

The engineering work still has not been completed and a letter has been sent to the owner with a deadline for doing the work. If the owner does not meet the deadline a contractor will be hired by the Association to remedy the problem, with all expenses to be charged back to the owner.

E. Parking Permits

Small signs have been purchased to clearly indicate the unit number (under the existing number) on the parking spaces at a cost of about \$1,300. The Board decided on this course of action because it will be less expensive than removing the old signs.

F. Correcting Street Number Signs

This project has been completed.

VIII. NEW BUSINESS

A. Tenant in Unit O202

The tenant has been banned from the Clubhouse except for the laundry room and to attend meetings. The Board was willing to schedule a hearing for him but he did not appear.

B. Security Monitor

There are monitors covering the shed, hot tub, downstairs in the Clubhouse and one other area. The existing system will be upgraded in the next few days.

C. X Building Issues

The owner of X106 complained about trash being left in the hallways at night by Units X105 and X205. Someone in the building is also throwing cigarette butts

into her garden. The security door is not being locked on a regular basis. Julian Brody said he repaired it recently but he will look at it again. Dan Ulmer will address the trash issue.

D. Roaches in T Building

Julie Bollinger said a tenant had called her about roaches in the building. She explained the situation regarding the unit below him and informed him the exterminator will be returning. The entire building was already sprayed once.

E. Windows and Sliders

Sylvia Dowty said Accent Windows has agreed to hold the price at the same level as the past two years. Accent will provide a price list which will be kept in the Clubhouse. Windows are not a common element; they belong to the individual owners so the Board cannot mandate replacement.

IX. SET NEXT MEETING DATE

The next Board Meeting will be *Wednesday, April 20, 2005 at 7:00 p.m.* in the Dillon Valley East Clubhouse.

X. ADJOURNMENT

With no further business the meeting was adjourned at 8:30 p.m.

Approved By: _____ Date: _____

Board Member Signature

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
April 20, 2005
Dillon, Colorado

Board members in attendance were Richard Garcia, Ed Lee, Donald Jones, Sylvia Dowty, Gregg Pooley and Mike Immordino.

Homeowners present were Julie Jones (B301) and Lee Vroble (X302).

Representing Basic Property Management were Dan Ulmer, Lanelle Barnett and Julian Brody. Amy Whalen was recording secretary.

* * * * *

I. CALL TO ORDER

The meeting was called to order by Board President Richard Garcia at 7:06 p.m.

II. APPROVAL OF MINUTES

Sylvia Dowty made a motion to approve the minutes of the March 16, 2005 Board Meeting as written. Mike Immordino seconded and the motion carried.

III. GENERAL QUESTIONS/COMMENTS

A. Brett Tubbs, Unit I-202

Brett Tubbs told the Board that the unit above him flooded and his ceiling may need to be replaced. He said he does maintenance and drywall for a living and could probably do the work himself. He estimates the damage at \$500 - 600. He has spoken to his neighbor, as well as to Tomas from maintenance, who came to look at the problem but there was a language barrier. Richard Garcia asked Julian Brody to act as an interpreter and to talk to the tenants first, and then to the owners, and to inform them that they will be subject to legal action. He also asked Gustavo D'Andrea to draft a letter to the owners.

Brett Tubbs' truck topper was stolen from the parking lot/storage lot. It had been stored there for about seven months and disappeared March 25. The police recovered it but it was destroyed. He was aware that property was supposed to be registered but Robert Crowe told him he would watch out for it. Richard Garcia reiterated that property must be registered and can be stored for a maximum of thirty days. The lot is not secured and the Association is not responsible for loss or damage of property, so the Board cannot help him.

Brett Tubbs and a friend did \$2,500 worth of painting in Unit U302. They were working for Progressive Maintenance, Robert Crowe's company, and Robert has left town without paying. Because the work was not related to the Association, Richard Garcia suggested he pursue the matter in small claims court or contacting Robert's realtor, whose name is posted at his home on Straight Creek Drive.

B. Swim Cap Policy

Owner Katherine Natale had written a letter to the Board regarding the requirement for swimming caps at the pool. She suggested the requirement be removed or changed. Dan Ulmer did some research at local recreation centers and Richard Garcia researched health clubs in Denver and Colorado Springs and found that caps are not required at any of them. There was general agreement that non-use of caps causes very little extra maintenance work and that the rule mostly served to anger guests.

A motion was made to rescind the requirement for swim caps. Ed Lee seconded and the motion passed unanimously.

IV. RESIDENT MANAGER REPORT

A. Birds

Julian Brody has secured a mechanical lift from Allman Painting to address the bird situation this week, weather permitting.

B. Sheet Rock Repair

There was another leak in Building B requiring sheet rock repair.

C. Carpet Cleaning

Julian Brody rented a carpet cleaning machine for the common areas and cleaned the carpets and chairs. Building A also has clean carpets and is newly painted. Sylvia Dowty asked if the Association would purchase its own carpet cleaner as discussed at a previous meeting. Julian reported that the machine cost \$160 for one weekend and that one building was completed at 45 minutes per hallway. Ed Lee felt it was better to rent than purchase. Dan Ulmer would like to purchase the machine, which is about \$3,000, but it is not clear if the maintenance staff would have time to clean carpets in addition to the rest of the workload. Hiring someone and charging back the owners would be a possibility.

Rich Garcia asked for a proposal at the next meeting to evaluate the costs of the machine and labor to do the work.

D. Fire in Unit I203

The fire was caused by a candle sitting unattended on a television. There was extensive damage throughout the unit and water damage to the unit below. The tenant had no insurance. The owner's insurance company will pursue the tenant. Basic Property staff responded right away and the fire department did a good job of minimizing the amount of water used. Gregg Pooley was concerned that the Association could be liable but the other Board members did not feel this was an issue.

E. Zone Valve Replacement

The original zone valves are not made anymore. In the future, repairs will be made by cutting into the feeder pipe to the valve and installing a new fitting, which is time consuming. Including labor, it costs about \$200 to replace a valve because the pipes must be drained, cut, etc. The cost of new valves is the owners' responsibility. Once the new fitting is installed future valves replacements will be much easier.

Dan Ulmer provided a proposal to Ed Lee for installing gas fireplaces in all 404 units including piping, gas logs, gas meters, etc. He believes it will improve the value of the units. Gregg Pooley asked if it would change insurance requirements and/or premiums, and Dan said this was a possibility.

F. Other Maintenance Items

All fire extinguishers have been changed. Julian Brody found them for \$10 each instead of \$39 each. Julian and Tomas fixed numerous leaks in-house instead of hiring a plumber, completed the electrical work for the new video monitoring system and purchased a general tool set for residents. Cork boards are being installed in common areas to eliminate the problem of tape residue from posting notices.

G. Delinquency Report

Dan Ulmer reported that the current total delinquent balance was \$39,266. One unit is for sale and has had two sales fall through. One person is paying through bankruptcy court; he pays current dues and is paying the rest down gradually. In other cases, some people are paying and others have liens on their property. Out of the 403 units, fourteen have some kind of problem.

Robert Crowe told Chris Cottner that he could keep a trailer in the storage lot without registering it. Julian Brody has informed him that his time limit was up a year ago. Chris Cottner requested a couple of weeks to make other arrangements. Richard Garcia authorized a grace period of 30 days of storage. After which, Mr. Cottner must remove his trailer for at least 14 days before returning it to the lot.

V. BUILDINGS/GROUNDS/LANDSCAPE COMMITTEE

Dan Ulmer provided an aerial photo of Dillon Valley East. A former colleague of Dan's works for a Denver landscaping company and has offered to work for Dillon Valley. Conceptual drawings, including an opinion on the fences and the entrance, would run \$3,200.

Dan also provided copies of the preliminary landscaping proposal in three parts – patios, xeriscaping, and the entrance. Each part of the proposal includes a "conceptual phase" and these conceptual plans together would run \$4,800 (\$6,000 less 20%).

Some problems to be addressed include inconsistency of the patios, fencing, and the general look of ground level units from the outside, sprucing up the entrance with a new, bolder sign and some lighting and/or landscaping. With conceptual plans the Board could then create a prioritized plan and begin some work this summer.

Gregg Pooley suggested getting three bids from contractors instead of purchasing conceptual plans. He did not feel he could justify the expenditure of \$4,800 to the membership without a bidding process.

Sylvia Dowty pointed out that the Association's needs include several disciplines. For example, the landscaper will not fix the patios or install lighting. She suggested that the Board find someone to "bring it all together". Work could then be prioritized and some could possibly be done in-house.

Ed Lee felt that the project was not big enough to attract detailed bids, especially if the project did not include general contracting. He also would prefer to have a rough cost estimate for the entire project up front instead of completing Phase I and then finding out how much Phase II would cost. Dan Ulmer pointed out that there are few landscape architects in Summit County.

Lee Vroble asserted that by far the biggest problem was uniformity in patios and getting rid of "junk" on the ground floor. He believed the other issues were a distant second.

Richard Garcia asked that everyone look at the existing information before next month's meeting. He also asked Ed Lee to write a Request for Proposal spelling out the Association's basic needs that could be put out for bid.

VI. TREASURER'S REPORT

Treasurer Don Jones highlighted several items from the Balance Sheet. The Association is currently \$5,098 favorable to budget, Net Income was \$7,991 favorable, and the Reserve balance was \$145,737.

Don suggested looking at alternatives to the GMAC demand note, as GM has lost investment grade status on its bonds. He and Lanelle Barnett will investigate other options.

Dan Ulmer noted that year-to-date operations were nearly \$20,000 under budget due to savings in Gas, Snow Removal (done with in-house labor), and Water and Sewer (rate increases have not been received).

Lanelle Barnett explained cash accounting versus accrual accounting. Accounting using a cash basis means that expenses are recorded when they are paid and revenue is recorded when it is received.

For an Association, a cash basis does not show a true picture because of the many costs incurred by the Association before they are billed. The GAAP standard for Associations is accrual based accounting, which reflects expenses when they are accrued. In the past Dillon Valley East used a hybrid with cash accounting for monthly reporting and accrual accounting at year-end.

Don Jones felt the accrual system was confusing for homeowners because it gives the impression that the Association has paid for things that it has not. Lanelle explained the drawback of a cash basis, i.e. it does not show what has not been paid. All agreed that neither system is perfect.

Don Jones announced his resignation as Treasurer. Sylvia Dowty agreed to take over until the next election.

VII. OLD BUSINESS

- A. Security Inspection, Hallway Cleaning and Boiler Inspection Books*
Julie Bollinger said the grounds were improving but added there were still too many cigarette butts and dog waste. She provided Richard Garcia with a letter which he will copy and distribute.

Julie said she reviewed all inspection books and they looked fine.

- B. Rental Unit Committee*
Numerous changes need to be made to the lease. Richard Garcia has gathered information to take back to the original Committee.

- C. Demand Letter for Unit X202*
A dishwasher leak in this unit caused damage to the unit below. The Board has evidence that the leak was due to faulty repair of the dishwasher, but the owner, denies responsibility. The total cost to repair the water damage was about \$4,000. An individual named Dave installed the dishwasher initially, but he seems unlikely to testify. Another individual named Nick repaired the sheetrock below but did not actually see the dishwasher. The owner later hired someone himself to fix the dishwasher.

Gregg Pooley suggested that the burden of proof was on the owner to show the leak was not his fault. Since he had work done on the dishwasher before the incident there is evidence that he knew there was a problem of some kind and he did not fix it properly. Therefore, the Association should be able to attach a lien and make him fight it.

- D. Unit A205*
There was nothing to report regarding restoring building integrity and charges for the engineering study.

E. Building X Trash

The trash problem has been solved for now, although it is not known who was causing the problem. Julian Brody spoke to the tenant who complained.

F. Building T Roach Problem

No one has heard anything more about problems with roaches.

VIII. NEW BUSINESS

A. Maintenance Visit Notification

There was a complaint from a new owner that she had not been notified that maintenance visited her unit. She did not realize that there is a sheet posted for maintenance to sign when they enter the unit. There does not seem to be a need to change this system.

B. Temporary Parking Lot

The existing form to register vehicles in the lot does not state that the vehicle has to be moved after thirty days; the form is being amended. Residents who have vehicles parked there now will be notified when they came back in to sign the form again. They will have a thirty-day grace period and then will need to remove their vehicles for 14 days before returning them to the lot. The form will also state that the Association is not responsible for loss or damage.

C. Possible Leak Problem

Mike Immordino came home one night to find a gallon or two of water on his floor. The dishwasher hose had blown out of the drain up above. He did not see any damage at the time, but a couple of nights ago he noticed a thin ceiling crack about two feet long. He wished to have the incident on record.

IX. NEXT BOARD MEETING

The next meeting is scheduled for May 18, 2005 at 7:00 p.m. at the Dillon Valley East Clubhouse.

X. ADJOURNMENT

Don Jones made a motion to adjourn. Gregg Pooley seconded and the meeting was adjourned at 9:14 p.m.

Approved By: _____
Board Member Signature

Date: _____