

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

January 16, 2008

Dillon, Colorado

I. CALL TO ORDER

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

Board members present were Mike Immordino, Mike Kurth, Cathy Brosius and Paul Hage.

Owners Lee Vroble (X302), Charlotte Assor (T304), Glen Johnson (S103/104) and Don and Laurel Gardey (Z202) were present.

Representing Basic Property Management were Dan Ulmer, Lanelle Barnett, Julian Brodie and Mark Mannheimer. Erika Krainz of Summit Management Resources drafted the minutes from Cathy Brosius' notes.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Paul Hage made a motion to approve the October 25, 2007 Budget Meeting minutes as presented. Mike Kurth seconded and the motion carried.

Paul Hage made a motion to approve the November 14, 2007 Board Meeting minutes as presented. Mike Kurth seconded and the motion carried.

Of the Board members in attendance, only Cathy Brosius was present at the December 13, 2007 Special Board Meeting so the approval of the minutes was tabled.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

A suggestion was made to remove snow from alternate lots to accommodate the parking of cars.

IV. FINES AND HEARINGS

The owner of T-304 asked for removal of a late fee from her account. After discussion of the situation that led to late fees, Paul Hage made a motion to rescind the late fee. Mike Kurth seconded and the motion carried.

V. RESIDENT MANAGER'S REPORT

A. Administration Manager Report

Mark Mannheimer awarded Glenn Johnson with a certificate of appreciation for helping to get cars moved for snow removal.

Snow removal has taken a considerable amount of time. The loader was used for 185 hours. On January 2nd, each worker worked ten hours and thirteen cars were towed.

The final inspection of the G Building plumbing and heating is projected to take place on March 31st after all codes issues have been addressed.

B. Maintenance Manager Report – Completed Projects

1. There have been numerous repairs to the heating and plumbing systems.
2. Julian Brodie presented a bid for a Clubhouse boiler. It is budgeted in the Reserve account. Paul Hage made a motion to allocate \$16,000 from the Reserve account for the boiler. Mike Kurth seconded and the motion carried unanimously.

C. Insurance Report

Dan Ulmer said a plan for a future possible event is being prepared at a cost of \$2,500. This action was mandated by our new insurance carrier. Because this action was part of the new insurance coverage, President Richard Garcia gave approval of the expenditure.

D. Delinquency Report

Dan Ulmer reported the total amount due was \$37,322, down from \$38,461 in November 2007.

Sale of assessment lien on unit A206 - Cathy Brosius made a motion, seconded by Paul Hage, to sell the assessment lien on A-206. The motion carried.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of December 31, 2007.

A. Year-to-Date Operating Fund P&L as of December 31, 2007

As of December 31, 2007 total income was \$1,471,836, total expenses were \$1,367,125 and net income was \$104,710 against a budgeted deficit of \$6,662.

B. Year-to-Date Reserve Fund Status

Year-to-date income was \$168,283 and expenses were \$78,678, resulting in net income of \$89,605. The Reserve Fund balance as of the end of December was \$377,524.

Cathy Brosius made a motion to approve the Treasurer's Report. Mike Kurth seconded and the motion carried.

VII. OLD BUSINESS

A. Buildings, Grounds and Landscaping Committee

The gutters installed on Buildings A, B and C are working well.

- B. *Architectural Review Committee*
The project to identify out of compliance satellite dishes has been tabled until April or May.
- C. *Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments*
The books appear to be in order. Vacuuming is behind schedule due to snow removal.
- D. *Reserve Capital Spending Committee and Boiler Study*
No report.
- E. *Building G Fire Update*
As noted earlier, the final inspection is projected to occur in March. One owner has been difficult to deal with regarding upgrading and is delaying work in the building.

VIII. NEW BUSINESS

- A. *Parking Passes*
New parking passes will be issued in April and will be of a different color than the current passes. Passes are now available at the Clubhouse and can be mailed to owners. There will be a charge of \$75 to replace a lost pass. Basic Property Management will send a form by mail to all owners; the form will request specific instructions on how the owners would like their parking passes delivered. The form is available on the website at www.dillonvalley.org.
- B. *Letter from Owner Sean Smith*
A letter from Sean Smith was read requesting a either a refund or partial refund of his dues paid because he is unable to use his damaged condominium due to the fire in Building G. Paul Hage made a motion not to waive his Association dues. Mike Kurth seconded and the motion carried.

IX. SET NEXT MEETING DATE

The next Board Meeting will be Wednesday, February 20, 2008 at 7:00 p.m. in the Dillon Valley East Clubhouse.

X. ADJOURNMENT

Cathy Brosius made a motion to adjourn at 8:15 p.m. Paul Hage seconded and the motion carried.

Approved By: _____

Board Member Signature

Date: _____

Addendum – Treasurer’s Report

Dillon Valley East Financial Summary As of December 31, 2007

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	259,843.55	377,523.90	637,367.45
Other Current Assets	44,220.87		44,220.87
Fixed Assets (net of depreciation)	185,459.71		185,459.71
	489,524.13	377,523.90	867,048.03
Current Liabilities	155,165.58		155,165.58
Long Term Liabilities	167,703.00		167,703.00
Donated Capital	2.00		2.00
Retained Earnings	61,943.15	287,918.76	349,861.91
YTD Net Income	104,710.40	89,605.14	194,315.54
Total Liabilities & Equity	489,524.13	377,523.90	867,048.03

Operating Fund P&L

	Actual	Budget	Diff
December Total Income	122,516.64	121,198.00	1,318.64
December Total Expenses	120,157.76	104,726.74	15,431.02
December Net Income	2,358.88	16,471.26	-14,112.38
	Actual	Budget	Diff
YTD Total Income	1,471,835.77	1,454,376.00	17,459.77
YTD total Expenses	1,367,125.37	1,461,038.10	-93,912.73
YTD Net Income	104,710.40	-6,662.10	111,372.50

Notes from the Prez

February 2008

Our next Board meeting will take place on Wednesday, February 20th at 7:00pm in the clubhouse. We are continuing to have parking problems and if you have a solution, please feel free to join us and share your solution.

If your vehicle was towed due to snow removal from the parking lots, you may retrieve it from:

Dillon Towing and Recovery
244 Brian Ave.
Silverthorne
Phone 970-468-2907

As of January 1st, the recovery fee was \$250 plus storage fee. The cost is subject to change. The Homeowner's Association is not responsible for damage to your vehicle or charges due Dillon Towing and Recovery. If your vehicle remains with the towing company for 30 days, it becomes their property.

New parking permits for 2008 are available at the clubhouse and on line at www.Dillonvalley.org. Renters may pick up the passes after we receive permission from owners. March 31st the deadline for new parking passes to be displayed. Beginning April 1st, users of parking passes issued during 2007 (white colored) will be given warnings followed by fines. Owners are responsible for their parking permits. If a rental agent is taking care of your property, you are still responsible for your renters and guests. **This paragraph serves as legal notice for parking permits.**

If you are resident of Summit County, you understand the difficulty we are having with snow removal and we thank you for your cooperation. If you have a first floor unit and usually exit through your patio door to walk to the bus stop or take out trash, you will discover your path has been blocked with snow storage. Please use your entrance nearest your assigned parking lot.

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
February 20, 2008
Dillon, Colorado**

I. CALL TO ORDER

The meeting was called to order at 7:10 p.m. by Richard Garcia.

Board members present were Richard Garcia, Mike Immordino, Mike Kurth, Sylvia Dowty, Paul Hage and Cathy Brosius.

Owners Lee Vroble (X302), Charlotte Assor (T304), Glenn Johnson (S103/104), Jeff Schramm (I205) and Barb Jansen (Z302) were present.

Representing Basic Property Management were Dan Ulmer and Julian Brodie. Erika Krainz of Summit Management Resources was recording secretary.

I. APPROVAL OF PREVIOUS MEETING MINUTES

Mike Immordino made a motion to approve the January 16, 2008 Board Meeting minutes as presented. Mike Kurth seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Barb Jansen commented that her parking spot was occasionally occupied when she arrives late at night. The cars usually do not have hanging tags. Richard Garcia said a note could be placed on the doors in that building reminding owners to park in the proper spots. She asked about the permanently parked cars in front of the Clubhouse. Julian Brodie said he was trying to identify the owners of the cars. Richard said there had been some flexibility with enforcement of the parking regulations due to the heavy snowfall this winter.

Richard Garcia reviewed owner letters received since the last meeting:

1. A unit owner sent a letter with a complaint about loud music in a neighboring unit. Richard Garcia will contact the offending unit owner.
2. The owner of R206 sent a letter regarding parking in his lot. Julian Brodie and Dan Ulmer have already worked with him to remedy the situation.
3. The owner of H306 sent a letter regarding his heat and the hammering noise in the pipes. Julian Brodie is working on the issues.
4. The owners of R203 sent a letter regarding parking conditions. They have experienced problems finding a space. They parked in front of the dumpster and a violation sticker was placed on their car. Management has worked with them.
5. The owner of D301 sent a letter regarding a problem with excessive heat in the unit. Julian Brodie addressed the issue. He left a message for the owner informing him that his thermostat has failed. The rest of the system is functioning properly.

Dan Ulmer said he wrote over forty tickets last week. Most of the time was spent on the R and I Buildings and a couple of cars were towed. Not all cars in the back lot are required to

have a pass. Temporary passes are not being issued for over seven days, even for short term rentals. He commented that enforcing the parking regulations was a full time job.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. MANAGER REPORTS

A. Maintenance Manager

1. The lower level of D Building has a leak all the way down the hall due to a failed hot water line. Julian Brodie provided a sample of plastic piping that snaps together and does not require welding. The W and Q Buildings also have leaks. He will need to hire Abracadabra Plumbing to help address the issues.
2. There was a short circuit in one building due to snow covering the controller.
3. Mark Mannheimer checked the smoke alarms in all hallways, and made lists of which carpet needs to be replaced and which areas need to be painted. Funds are set aside for these projects this year.
4. Dan Ulmer said DVE purchased a truck from Summerwood a few years ago for plowing. The truck is now ten years old and is starting to require considerable maintenance. The Board budgeted for a new pickup and Ford is offering 0% financing for sixty months for a V10 one ton pickup with a plow. He estimated they could get eight to ten years out of a new truck if the old truck is kept as a backup. The cost would be \$32,910 plus tax. He requested Board approval to initiate the purchase.

Paul Hage made a motion to authorize Dan Ulmer to purchase the truck on behalf of the Association and to arrange financing. Sylvia Dowty seconded and the motion carried.

B. Delinquency Report

Dan Ulmer reported the total amount due was \$39,150 with eight units significantly delinquent.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of January 31, 2008.

A. Operating Fund P&L as of January 31, 2008

Year-to-date as of January 31, 2008 total income was \$120,616 (0.7% above budget), total expenses were \$161,318 (1.1% under budget) and net income was (\$40,702) against a budgeted deficit of (\$43,331).

Significant variances to budget included:

1. Total Building Maintenance - \$2,182 under budget due to fewer damage claims and boiler repair expenses.

2. Total Club and Recreational - \$908 over budget due to purchase of trash bags and replacement locks for stack doors.
3. Total Ground Maintenance - \$1,019 over budget due to purchase of pet pick up bags.
4. Office Expense - \$667 over budget due to purchase of new annual parking permits.
5. Snow Removal - \$2,307 under budget but the \$4,500 bill for loader rental was not received, so the account is actually \$2,193 over budget.
6. Truck/ATV - \$522 under budget due to fewer repairs.

An unbudgeted \$1,750 was spent on the Asbestos Study that was required after the fire.

B. Year-to-Date Reserve Fund Status

Year-to-date Reserve income is \$26,383 and there have not been any expenses.

Cathy Brosius made a motion to approve the Treasurer's Report. Sylvia Dowty seconded and the motion carried.

VII. OLD BUSINESS

A. Buildings, Grounds and Landscaping Committee

Glenn Johnson reported that he checked the books this afternoon and all were in order. Richard Garcia thanked him and Barb for their assistance with snow removal this past month. Glenn said dog waste was a significant problem this winter. He suggested putting notes on unit doors reminding owners to pick up after their pets.

B. Architectural Review Committee

There was no report.

C. Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments

Glenn Johnson reported that he checked the books this afternoon and all were in order.

E. Reserve Capital Spending Committee

There was no report.

F. Building G Fire Update

Richard Garcia said the project was on schedule for completion in mid-March but it could be delayed by weather. He has been in contact with the attorney about one owner who may delay the project.

Dan Ulmer inspected all six units; the quality of the work is very good and work is progressing. He said it had been a very difficult process. He recommended

reminding owners and tenants to turn off kitchen stoves when they leave and not to leave burning candles unattended.

Dan announced that only owners are allowed anywhere in the damaged units in G Building during the construction and owners must request authorization for access.

G. Clubhouse Boiler Update

Julian Brodie put this project on hold until the weather warms up. The boiler has been delivered.

H. Parking Passes

2008 parking passes are available at the Clubhouse or they can be mailed to owners. There will be a \$75 fee for lost passes. Forms will be sent to all owners with the minutes from this meeting.

VIII. NEW BUSINESS

A. Asbestos Disclosure

Richard Garcia said an asbestos disclosure should be drafted. Asbestos is present in the sheetrock tape mud in many of the older buildings built in the late 60's and early 70's. The disclosure should indicate that there could be asbestos present. Sylvia Dowty said owners should be informed that as of January 1, 2008 they are required per state law to disclose this fact. Dan Ulmer and Richard Garcia will address this issue.

B. Remodeling Approval Policy from ARC

Richard Garcia will provide guidelines and information to the ARC for creating a remodeling approval policy.

C. Owner Liability for Damage to Common Area Policy

The Board needs to develop a policy so owners know what they are responsible for in the event of damage to a common area. Richard Garcia will work on this.

IX. SET NEXT MEETING DATE

The next Board Meeting was scheduled for Wednesday, March 19, 2008 at 7:00 p.m. in the Dillon Valley East Clubhouse.

X. ADJOURNMENT

Mike Kurth made a motion to adjourn at 8:10 p.m. Sylvia Dowty seconded and the motion carried.

Approved By: _____

Board Member Signature

Date: _____

Addendum: Treasurer's Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF JANUARY 31, 2008

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	219,113.78	403,907.38	623,021.16
Other Current Assets	41,071.58		41,071.58
Fixed Assets (net of depreciation)	171,237.17		171,237.17
	<u>431,422.53</u>	<u>403,907.38</u>	<u>835,329.91</u>
Current Liabilities	153,357.05		153,357.05
Long Term Liabilities	168,409.00		168,409.00
Donated Capital	2.00		2.00
Retained Earnings	150,356.55	377,523.90	527,880.45
YTD Net Income	-40,702.07	26,383.48	-14,318.59
Total Liabilities & Equity	<u>431,422.53</u>	<u>403,907.38</u>	<u>835,329.91</u>

Operating Fund P&L

	Actual	Budget	Diff
January Total Income	120,616.01	119,722.32	893.69
January Total Expenses	161,318.08	163,053.09	-1,735.01
December Net Income	<u>-40,702.07</u>	<u>-43,330.77</u>	<u>2,628.70</u>

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
March 19, 2008
Dillon, Colorado**

I. CALL TO ORDER

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

Board members present were Richard Garcia, Paul Hage, Mike Immordino, Sylvia Dowty and Cathy Brosius.

Owners Lee Vroble (X302), Glenn and Barb Johnson (S103/104), Terry Scanel (A102) and Don and Laurel Gardey (Z202) were present.

Representing Basic Property Management were Dan Ulmer and Julian Brodie. Erika Krainz of Summit Management Resources was recording secretary.

1. APPROVAL OF PREVIOUS MEETING MINUTES

Paul Hage made a motion to approve the February 20, 2008 Board Meeting minutes as presented. Sylvia Dowty seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

There were no comments from the floor or comment box.

Richard Garcia reviewed an email he received from the owner of Unit S204 in response to a warning for having two dogs. The owner explained that they do not have two dogs, but occasionally there are two dogs in the unit for one or two days when the two owner partners overlap.

No response has been received from the owner of Unit Z204 regarding the noise complaint letter. It is a short term rental so the situation changes depending on the tenants.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. MANAGER REPORTS

A. Maintenance Manager

1. Ice and snow removal is ongoing.
2. The H Building heat exchanger was replaced. Julian Brodie has ordered two more heat exchangers for the inventory. Paul Hage noted there was a \$900 charge for a heat exchanger last month. The heat exchangers are more expensive so that item may have an incorrect description in the explanation line. Julian will follow up with Accounting.

3. Finished the sauna and men's locker room. Julian will add some new magnetic tape to keep the door closed. One shower has been completed and he is working on the second one.

Terry Scanel thanked the Board and Julian Brodie for their efforts around the property.

B. Delinquency Report

Dan Ulmer reported the total amount due was \$38,932 with eleven units significantly delinquent. Several units have sold since the last report.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial reports.

A. Operating Fund P&L as of February 29, 2008

Year-to-date total income was \$242,356 (1.2% above budget), total expenses were \$293,192 (2.0% over budget) and net income was (\$50,836) against a budgeted deficit of (\$47,985).

Significant variances to budget included:

1. Building Maintenance - \$2,871 under budget due to fewer damage claims and boiler repair expenses.
2. Club and Recreational - \$602 under budget.
3. Gas Expense - \$6,654 over budget.
4. Office Expense - \$1,006 over budget due to purchase of new annual parking permits.
5. Snow Removal - \$2,919 over budget.

The A/R balance was up \$1,600 over January.

A new plow truck was purchased. The Association was able to obtain a no interest loan but had to put down \$6,000 up front because the Association has no credit history. This loan will free up some capital funds for projects such as boiler replacement.

Richard Garcia pointed out that Julian and his crew had saved the Association a great deal of money in snow removal through rental of heavy equipment.

B. Year-to-Date Reserve Fund Status

Year-to-date income and interest were \$51,871 and expenses were \$4,102 for boiler equipment.

Dan Ulmer said the prime rate had dropped to 2 – 3%, so the T-Bills are probably only yielding about 0.5%, down from 3.9%. He recommended researching some other secure savings vehicles with a higher rate of return.

Mike Immordino made a motion to approve the Treasurer's Report. Sylvia Dowty seconded and the motion carried.

VII. OLD BUSINESS

A. *Buildings, Grounds and Landscaping Committee*

Barb Johnson said she was happy to see enforcement of the parking rules around the Clubhouse, but noted two sides of the tennis court were now lined with cars. She thanked Julian for all his work on the snow and icicle removal. She mentioned that the steps to her building were extremely icy. Julian will try to keep the ice melt bins full.

B. *Architectural Review Committee*

Mike Immordino said an owner requested information for replacement of the patio doors and windows. This request was handled by Cathy Brosius and Richard Garcia. Another owner requested information for installation of a washer/dryer and Richard sent instructions.

C. *Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments*

Glenn Johnson reported that he checked the books this afternoon and all were in order.

D. *Building G Fire Update*

The building reconstruction has been completed. Five units received their certificates of occupancy on Monday. Richard Garcia walked through the units on Tuesday with two owners, both of whom signed off on their units. A third owner will be on site on Friday to sign off. Richard Garcia signed off on the remaining two units as President of the Board in lieu of the owners. Dan Ulmer and Julian Brodie witnessed the inspections. Everything in the units is brand new and they look really nice. One owner has building permits in hand and will pursue reconstruction of his unit; he will be responsible for obtaining any necessary inspections for the certificate of occupancy.

E. *Parking Passes*

The 2008 parking passes are available at the Clubhouse. Owners have been informed that the new passes must be displayed starting May 1, 2008.

F. *Asbestos Disclosure*

The work is in progress.

G. *Remodeling Approval Policy from ARC*

The work is in progress.

H. Owner Liability for Damage to Common Area Policy

The work is in progress. This issue may be clearly enough defined in the Declarations and may not require further clarification.

VIII. NEW BUSINESS

A. Comcast Rewiring

Dan Ulmer is working with Comcast on rewiring all the buildings in the complex at no cost to the Association. Comcast plans to have the work completed this summer. The new wiring will allow for HD signal and high speed internet. Comcast will be offering a package of Hispanic channels over the cable, which should help to reduce the number of satellite dishes around the property.

IX. SET NEXT MEETING DATE

The next Board Meeting was scheduled for Wednesday, April 16, 2008 at 7:00 p.m. in the Dillon Valley East Clubhouse.

X. ADJOURNMENT

Cathy Brosius made a motion to adjourn at 7:40 p.m. Mike Immordino seconded and the motion carried.

Approved By: _____
Board Member Signature

Date: _____

Addendum: Treasurer's Report

AS OF FEBRUARY 29, 2008
 Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	161,449.92	419,293.06	580,742.98
Other Current Assets	40,853.55		40,853.55
Fixed Assets (net of depreciation)	221,035.11		221,035.11
	<u>423,338.58</u>	<u>419,293.06</u>	<u>842,631.64</u>
Current Liabilities	120,690.27		120,690.27
Long Term Liabilities	203,125.76		203,125.76
Donated Capital	2.00		2.00
Retained Earnings	150,356.55	377,523.90	527,880.45
YTD Net Income	-50,836.00	41,769.16	-9,066.84
Total Liabilities & Equity	<u>423,338.58</u>	<u>419,293.06</u>	<u>842,631.64</u>

Operating Fund P&L

	Actual	Budget	Diff
February Total Income	121,743.56	119,722.32	2,021.24
February Total Expenses	127,616.74	123,993.43	3,623.31
February Net Income	<u>-5,873.18</u>	<u>-4,271.11</u>	<u>-1,602.07</u>
	Actual	Budget	Diff
YTD Total Income	242,356.16	239,444.64	2,911.52
YTD Total Expenses	293,192.16	287,429.85	5,762.31
YTD Net Income	<u>-50,836.00</u>	<u>-47,985.21</u>	<u>-2,850.79</u>

YTD:

- Building Maintenance is under budget \$2,871 – fewer damage claims and boiler repair expenses than budgeted more than offset higher hallway carpet cleaning (repair vacuum) and hallway painting expenses than budgeted..
- Club & Recreational is under by \$602 in the areas of clubhouse maintenance and pool/spa/sauna expenses.
- Gas expense is over by \$6,654.
- Office expense is over by \$1,006 because of purchase of new annual parking permits in January.
- Snow removal is over by \$2,919. Payment for use of our loader by others helped contain this overage.

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
April 16, 2008
Dillon, Colorado**

I. CALL TO ORDER

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

Board members present were Richard Garcia, Mike Immordino, Sylvia Dowty and Mike Kurth.

Owners Glenn and Barb Johnson (S103/104), Ben and Leah Roehrs (I106), Dan Mills (I103) and John Yutzler (D203) were present.

Representing Basic Property Management was Dan Ulmer. Erika Krainz of Summit Management Resources was recording secretary.

I. APPROVAL OF PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the March 19, 2008 Board Meeting minutes as presented. Mike Immordino seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

John Yutzler (D203) said he was on vacation last week and his car was towed on a plow day. He does not believe that all cars in the lot were towed. The towing and storage cost him \$280 and he requested some compensation. He said he understood the policy but there have been a couple of times this year when plowing signs have been put up but other cars have not been towed. He felt the rules should be enforced uniformly. Richard Garcia responded that there are often many cars that need to be towed but the tow company runs out of space for storage. In that case, the cars to be towed are randomly selected. The Association is not able to compensate him for the expenses incurred. Dan Ulmer added that there was up to two feet of snow in front of some units. Management knocked on doors and asked tenants to try to locate car owners before towing.

Dan Mills (I103) approached the Board regarding the zone valve replacement project. He submitted an email asking to have his own plumber take care of replacing the shut off valve. He returned to his unit after being out of the country and found both the zone valve and shut off valves had been replaced by the Association. The inspection report indicated the zone valve was the original one but he had it replaced eighteen months ago. The cost was \$150. He believes he is being charged for two shut off valves but he could only locate one in the unit. Dan Ulmer said there could be another one out in the hall. Dan Mills said he sent an email to the Board on 6/12/07 and another one on 2/27/08 but did not receive any response. Dan Ulmer will investigate this issue. Dan Mills clarified that he is disputing the zone valve replacement since it had already been done.

Ben Roehrs (I106) said he has a trailer with snowmobiles and asked for clarification on the long term storage. He also mentioned the hot water in his building has been inconsistent and sometimes has an orange tint. He would also like to build a fence this summer. He asked if he could replace his own shower valves. Richard Garcia responded that he could do whatever he wants with the plumbing since he owns whatever sticks out of the wall. If there are any problems, however, he would be responsible for any damage caused. There are guidelines for building the fence at the Clubhouse and online. Dan Ulmer will check into the hot water situation. Ben also mentioned that the occupants of I305 have excess vehicles parked in the lot. Richard said parking was the number one problem in the complex. The long term parking policy is unchanged; vehicles can be parked for thirty days at a time but then need to be removed for at least fourteen days.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. MANAGER REPORTS

A. Maintenance Manager

1. Repairing sheet rock damage from water leak in D101 and D103.
2. The hot tub was out of service for three days due to a broken filter housing.
3. Mountain Pest Control treated Building O for roaches.
4. Installed 25 recirculation pumps for the hot water system.
5. Purchased one heat exchanger for the Brayan boilers.
6. The sewer backed up in Z103 due to grease.
7. Purchased 40 entryway mats at flea market.
8. Purchased 2 pallets of ice melt.
9. Will purchase fertilizer from Home Depot. Dan Ulmer warned there would be extensive landscaping repair needed after the snow melts.

VI. TREASURER'S REPORT

Mike Kurth reviewed the financial reports.

A. Operating Fund P&L as of March 31, 2008

Year-to-date total income was \$362,723, total expenses were \$405,413 and net income was (\$42,690) against a budgeted deficit of (\$48,174).

Significant variances to budget included:

1. Legal Fees - \$2,047 over budget.
2. Gas Expense - \$6,975 over budget.
3. Snow Removal - \$2,919 over budget.

Richard Garcia asked Dan Ulmer to remind Julian Brodie to limit small tool purchases.

Sylvia Dowty made a motion to approve the Financial Report. Mike Immordino seconded and the motion carried.

B. Year-to-Date Reserve Fund Status

Year-to-date income and interest was \$26,567 and expenses were \$3,824.

VII. OLD BUSINESS

A. Comcast Rewiring

Donna Ray Anderson from Comcast joined the meeting. She explained that the Association has a bulk contract with a volume discounted rate. The current contract was signed in November 2003 with a five year term and five year auto renewal. The Association owns the internal wiring. The wiring up to the building is owned by Comcast. The rates for all customers in Summit County increased 5% this year.

The existing RG59 wiring is old and the internal wiring has signal leaks. The leaks combine with other leaks in the building and interfere with aeronautical and emergency frequencies. At some point in the future Comcast will be required to shut down service to the building or risk fines of \$10,000/day. Comcast would like to help the Association find a way to improve the wiring. A contractor provided an estimate of \$44,000 to rewire the complex last year. It would entail a "post wire" on the outside of the building with a hole through the side of the building to run the wire into each unit. Comcast has a rewiring budget that is shared with all the other mountain communities. She received corporate approval to have Comcast pay for the rewiring Dillon Valley East. In return, Comcast would require an extended contract and a new higher rate.

The rewiring would require access into each unit to replace the fittings and splitters on every existing outlet. Comcast would pay to replace up to three existing outlets in each unit and would offer a discounted rate for adding new outlets. It is anticipated the project could be completed in about forty days, about ten units per day. The contractor has agreed to honor the bid from last year.

Dan Ulmer asked about the locations for the outlets. The outlets cannot be on the outside wall due to the sliding glass doors. She thought the wire would be fished through the walls to the existing outlets. She will have the Supervisor Dave Farren meet with Dan to reexamine the setup in several different units.

Mike Kurth asked if there might be wireless technology available in the future. She thought it was quite far down the road, fifteen to twenty years minimum, if ever.

There are two other options. The first would be not to take any action. The second option would be to have Comcast provide the wire at no cost and the Association could have their own contractor install it. Comcast would still want to do the interior work on splitters and fittings. She did not have a price for that work. There is some liability with this option so the Association would need to check their insurance coverage.

She needs an answer by May 1, 2008. The new proposed contract increases the monthly fee by \$7.00/unit.

Richard Garcia questioned the clause regarding interconnection into the telephone wiring. She will research this issue. He also asked why Comcast would require the names and addresses of the owners. She said it was for exclusive marketing rights but she really only needs the unit numbers and addresses. Richard said the exclusive marketing right clause would have to be struck from the contract.

Richard said the Board would not be able to respond by the deadline. She extended the deadline to the end of the first week in May.

After she left, Richard commented that he does not believe the cable service can be cut off overnight, he does not like the contract in general and many of the things she promised are not included in writing.

B. Buildings, Grounds and Landscaping Committee

Barb Johnson asked about the plans for the lounge. She noticed there were two new couches. Dan Ulmer said they were donated by Bob Price. Richard Garcia said there were no plans for new furniture.

Barb said last summer nine areas were weeded and mulched by homeowners. She requested they be sprayed with weed killer to reduce the manual labor this year. The Board authorized purchase of weed killer. She plans to start work in June, weather permitting.

C. Architectural Review Committee

There was no report from this Committee.

D. Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments

Glenn Johnson reported that he checked the books this afternoon and all were in order.

E. Building G Fire Update

Richard Garcia said some heat shutoff valves that were installed last year were removed. They were reinstalled at the plumber's expense.

The next course of action will be to go back to the previous insurance company to get them to pay for the Public Adjuster/Manager. This should take about five or six months. The residents have moved back into their units.

F. Asbestos Disclosure

Richard Garcia said the Association is not required to inform all owners of the potential presence of asbestos. A notice has been posted on the website indicating that there is a possibility of encountering asbestos any time remodeling occurs.

Owners can test at their own expense. When a unit sells, the seller is asked if they know about existence of asbestos. If they say no, it is an owner liability, not Association.

G. Remodeling Approval Policy from ARC

Richard Garcia distributed the revised policy to the Board. There were no objections or changes. It will be posted on the website and copies will be available in the Clubhouse. It puts more teeth into the requirement for contractors to clean up after their work.

H. Owner Liability for Damage to Common Area Policy

The work is in progress.

VIII. NEW BUSINESS

A. Spring and Summer Projects

Dan Ulmer received a bid of \$6,800 to paint one building or \$6,200 for seven to ten buildings. The scope of work includes painting the siding, fascia, soffits, trim, posts and handrails, caulking, scraping peeling paint and masking windows. The paint will be a Devoe product and will be sprayed and brushed. Richard Garcia will determine how many buildings are included in this year's budget.

IX. SET NEXT MEETING DATE

The next Board Meeting was scheduled for Wednesday, May 16, 2008 at 7:00 p.m. in the Dillon Valley East Clubhouse.

The Annual Meeting will be Saturday, September 20, 2008, time to be determined.

X. ADJOURNMENT

Mike Kurth made a motion to adjourn at 8:30 p.m. Mike Immordino seconded and the motion carried.

Approved By: _____

Board Member Signature

Date: _____

Addendum – Financial Summary

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF MARCH 31, 2008

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	194,135.40	442,036.55	636,171.95
Other Current Assets	34,200.95		34,200.95
Fixed Assets (net of depreciation)	221,035.11		221,035.11
	<u>449,371.46</u>	<u>442,036.55</u>	<u>891,408.01</u>
Current Liabilities	138,275.21		138,275.21
Long Term Liabilities	203,427.76		203,427.76
Donated Capital	2.00		2.00
Retained Earnings	150,356.55	371,523.90	521,880.45
YTD Net Income	(42,690.06)	70,512.65	27,822.59
Total Liabilities & Equity	<u>449,371.46</u>	<u>442,036.55</u>	<u>891,408.01</u>

Operating Fund P&L

	Actual	Budget	Diff
March Total Income	120,387.56	119,722.32	665.24
March total Expenses	111,900.69	119,911.46	-8,010.77
March Net Income	<u>8,486.87</u>	<u>-189.14</u>	<u>8,676.01</u>
YTD Total Income	362,722.89	359,166.96	3,555.93
YTD total Expenses	405,412.95	407,341.31	-1,928.36
YTD Net Income	<u>-42,690.06</u>	<u>-48,174.35</u>	<u>5,484.29</u>

Addendum - Treasurer's Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF MARCH 31, 2008

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	194,135.40	442,036.55	636,171.95
Other Current Assets	34,200.95		34,200.95
Fixed Assets (net of depreciation)	221,035.11		221,035.11
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YTD total Expenses	405,412.95	407,341.31	-1,928.36
YTD Net Income	<u>-42,690.06</u>	<u>-48,174.35</u>	<u>5,484.29</u>

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
May 21, 2008
Dillon, Colorado**

I. CALL TO ORDER

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

Board members present were Richard Garcia, Mike Immordino, Cathy Brosius, Sylvia Dowty, Bob Price and Mike Kurth.

Owners Lee Vroble (X302), Susan Fiske (N205), Frank Worsham (O303) and Jeff Schramm (I205) were present.

Representing Basic Property Management were Dan Ulmer and Julian Brodie. Erika Krainz of Summit Management Resources was recording secretary.

1. APPROVAL OF PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the April 16, 2008 Board Meeting minutes as presented. Mike Kurth seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Susan Fiske (N205) asked about the Association policy regarding peddlers. There have been a number of them selling food and she was concerned about health issues. Dan Ulmer will post some "No Solicitation" signs (in English) at the entrance to each stack.

Jeff Schramm (I205) said he emailed Richard Garcia about a situation in I Building. There are renters that have become a nuisance. He has also spoken to Val the Property Manager about the situation. The tenant's cars are leaking fluids and are destroying the asphalt. Dan Ulmer said fines could be levied. The fine is \$50 but that may not be high enough. Jeff volunteered to walk all the parking lots to make a list of problem spots so Richard can send a letter to the unit owners.

Frank Worsham (O303) asked about the status of the laundry room. Julian Brodie said new boilers were being installed and the room should be ready to use next Tuesday or Wednesday. He will put a date on the sign. Frank also asked about plans for repairing the grassy area by the tennis court that was used for overflow parking this winter. Dan Ulmer said the holes would be filled and reseeded by the end of June. The grounds have been aerated and fertilized. Frank asked about the status of the concrete walkway repair. Julian said he had someone lined up to repair them once the weather warms up. Frank asked who is responsible for cleaning up trash around the dumpsters. Julian said his staff does it first thing every morning but trash accumulates during the day. Owners should be reminded to pick up trash and dog waste.

Richard Garcia reviewed a letter from Carla Rigger regarding Comcast wiring, painting, asbestos disclosure, the ARC and the playground facility. Her Comcast questions were the same ones Richard had. She inquired about the painting schedule. She requested a response to her questions regarding asbestos. She requested a list of approved vendors and companies from the ARC. Richard noted there was a list on the website. Richard said the Board may need to resurrect the playground equipment discussion.

Richard Garcia received a note from Glen Egbert asking about the \$50 deposit and \$10 usage fee for the vehicle maintenance area. Richard explained the deposit and usage fee were collected in response to damage users have done to the pavement in the past.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. MANAGER REPORTS

A. Maintenance Manager

1. Aerated and fertilized grass.
2. The mowers and equipment are being readied for summer. Some tires and blades were replaced.
3. Removed all swallow nests but the swallows are continually rebuilding. Julian will spray down the nests one more time and install more netting on the T Building sometime next week when he has the lift on site. He will also add more netting to areas the swallows have targeted in the past.
4. The tennis backboard will be replaced.
5. The dirt pile will be spread and leveled.
6. Improvements will be made to the entrance.
7. Dan Ulmer mentioned that the property sign lights have been vandalized.
8. Julian received his electrical certification.

Dan Ulmer said Martin, who is responsible for rules enforcement, had been off work after an appendectomy. Martin has created a list of patio problems and many of the issues have been addressed. He is also checking parking permits and oil spots. He is working some evenings and weekend evenings. Dan asked the Board to consider raising the fines on some violations to get the attention of owners and to maintain the property value.

There was general discussion about items being stored in common hallways, hallways being used as play areas by kids and hanging items on the hall ski rack. Richard Garcia said this type of activity was not specifically prohibited.

B. Delinquency Report

Dan Ulmer reviewed the delinquency list. The total delinquent balance was about \$44,000.

Richard Garcia said he and Dan had discussed the problem owners. The Association is serving as a bank for ten owners who are on the list repeatedly. The Association currently charges late owners 12.5% interest and a \$10 late fee. This is significantly less than a credit card. He suggested raising the fee to \$500 if the balance is not paid in full within sixty days. The Board would need to carefully review the Bylaws to ensure this would be allowed. The interest rate is specified in the Declarations so it cannot be changed without a 67% majority vote of the ownership. Bob Price and Mike Kurth questioned the \$500 fee; they felt it was a bit high. Dan noted the Board had the authority to waive the fee if circumstances dictate.

Sylvia Dowty made a motion to investigate the possibility of raising the late fee to \$500 for dues that are sixty or more days delinquent. Mike Immordino seconded. In discussion, Bob Price requested an amendment to indicate that this increase would only be adopted if permitted by the Bylaws. Richard Garcia said the motion would have to be made again for final approval. Cathy Brosius found that the Bylaws specified a late fee of no more than \$10. Richard noted the Board had the authority to amend the Bylaws. The motion carried.

VI. TREASURER'S REPORT

Mike Kurth reviewed the financial reports.

A. Operating Fund P&L as of April 30, 2008

Year-to-date total income was \$483,340, total expenses were \$558,577 and net income was (\$75,237) against a budgeted deficit of (\$90,292).

Significant variances to budget included:

1. Building Maintenance - \$22,496 under budget.
2. Club and Recreation - \$2,554 under budget.
3. Electrical Expense - \$2,554 under budget
4. Gas Expense - \$11,444 over budget.
5. Snow Removal - \$4,965 over budget.

Bob Price made a motion to approve the Financial Report. Mike Immordino seconded and the motion carried.

B. Year-to-Date Reserve Fund Status

Year-to-date income and interest was \$104,363 and expenses were \$4,256 (for boiler upgrades).

VII. COMMITTEE REPORTS

A. Buildings, Grounds and Landscaping Committee

The Johnson's were not present. Cathy Brosius said there were a number of trees and bushes to be planted. Dan Ulmer said the seedlings do best in an area where there is a lot of water on a regular basis, such as near the creek.

B. Architectural Review Committee

Cathy Brosius received a couple of applications. One was for building a fence, but no drawing was included. The second was to install a washer/dryer. The owner needs to identify a plumber.

Dan Ulmer provided an update on the fence situation. Martin reviewed all the old remaining fences and has started contacting owners. The fence at R102 and the big tree next to building will be removed. The fences by BB104, J108 and X102 will also be removed. The fences by P102, P103, R101 and P101 may be replaced. If the owners decided not to replace them, they will be torn down at Association expense. If the owners will be replacing them, they will be responsible for paying their contractors to remove them.

Platte River and Colorado Mountain Maintenance will provide bids for repainting, siding replacement and balcony replacement for eight buildings. The top balcony railings will be replaced with Trex.

Lee Vroble said there were different color window frames and sliding doors frames throughout the property. Cathy Brosius said per the Rules and Regulations, all replacement door and window frames must be almond color. Owners are supposed to submit their request for permission to replace doors and windows to the ARC.

VIII. OLD BUSINESS

A. Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments

Richard Garcia will check the books in the morning.

B. Building G Fire Update

Richard Garcia said efforts were continuing to track down the money owed to the Association by the insurance company. The total due is about \$114,000.

C. Owner Liability for Common Area Damage Policy

This item should be removed from the agenda.

D. Comcast Rewiring

Richard Garcia received a response from Comcast to several questions yesterday. Dan Ulmer met with the Comcast engineer and walked the property with the wiring subcontractor. The subcontractor will submit a proposal to Comcast. He confirmed that it would be very expensive to rewire according the specifications provided by Dan. Comcast has offered to install the cable at their expense. The Board agreed they did not have enough information to make a decision at this point.

IX. NEW BUSINESS

A. Board Recognition

Richard Garcia presented Mike Immordino with a gift in recognition of his service on the Board. He is moving out of the County.

B. Nominating Committee

The Board terms of Bob Price, Paul Hage and Richard Garcia expire this year. Sylvia Dowty, Mike Kurth and Jeff Schramm agreed to serve as the Nominating Committee. The Committee is charged with talking to interested owners. The last day for self nomination for owners is July 29, 2008. The Committee can submit nominations until August 21, 2008.

C. Asphalt Damage from Oil Spots

Management will inspect the parking lots. Violators will be fined \$50 and a clean up fee of \$150. Enforcement will start June 1, 2008. Jeff Schramm noted this would only address the assigned parking spots and not the overflow spots. He suggested asking owners to clean up both their assigned and overflow spots. Photographs will be taken for documentation.

X. SET NEXT MEETING DATE

The next Board Meeting will be scheduled by email since many Board members will not be available on the regularly scheduled date (June 17, 2008).

XI. ADJOURNMENT

The meeting was adjourned at 8:33 p.m.

Approved By: _____
Board Member Signature

Date: _____

Addendum: Treasurers Report

DILLON VALLEY EAST FINANCIAL SUMMARY AS OF APRIL 30, 2008			
Summary Balance Sheet			
	Operating	Reserve	Total
Cash Accounts	17,503.34	444,839.88	462,343.22
Other Current Assets	25,670.86		25,670.86
Fixed Assets (net of depreciation)	221,035.11		221,035.11
	264,209.31	444,839.88	709,049.19
Current Liabilities	(14,228.42)	(26,790.90)	(41,019.32)
Long Term Liabilities	203,316.12		203,316.12
Donated Capital	2.00		2.00
Retained Earnings	150,356.55	371,523.90	521,880.45
YTD Net Income	(75,236.94)	100,106.88	24,869.94
Total Liabilities & Equity	264,209.31	444,839.88	709,049.19
Operating Fund P&L			
	Actual	Budget	Diff
April Total Income	120,638.09	119,722.32	915.77
April total Expenses	152,236.08	161,839.96	-9,603.88
April Net Income	-31,597.99	-42,117.64	10,519.65
	Actual	Budget	Diff
YTD Total Income	483,340.19	478,889.28	4,450.91
YTD total Expenses	558,577.13	569,181.27	-10,604.14
YTD Net Income	-75,236.94	-90,291.99	15,055.05

Notes from the Prez

May 2008

Our next Board meeting will take place on Wednesday, June 18th, 7:00pm in the clubhouse.

Annual Homeowners Meeting

The Annual Homeowners Meeting will be September 20th, 10:00 AM, in the Clubhouse. Lunch will be provided. The terms of 3 Board members will expire.

Board Member Vacancy

Mike Immordino has resigned his position on the Board to move back to New Jersey to be closer to his family and deep sea fishing. I think fishing is his main reason. Mike has done a wonderful job on the board and we made use of his engineering background on various projects. Thanks Mike for all your work.

If you would like to volunteer to fill a position on the Board, please contact me at Richard@DillonValley.org or call the Clubhouse at 970-468-1371.

Delinquencies

We have owners who are causing the rest of us to be their loan agent. The association is due approximately \$40,000 each month by a few who do not know how to manage their money. Owners with delinquencies are contacted and promises are made to make payment. After calls and letters are sent, a payment is made and they are good for a short while, and then slip back into delinquency. It's no pain on their part. They only pay a \$10 delinquency fee and 12.5% interest. That's better than any credit card or loan and they know it. Your Board of Mangers is seeking a way to increase the penalty fee to a hefty sum of \$500 to \$600 to get their attention. It seems harsh to penalize someone who does not know how to manage money. But they do know how to manage and manipulate us.

Vandalism

Vandalism in Dillon Valley East is increasing. Your Board of Mangers will meet with the Sheriff and our attorney to see what we can do. Some of our buildings have had gang related graffiti on them. Our property manager quickly painted over the graffiti. One step the Board may do is to demand an addendum be added to all long term leases and suggest a criminal background check be performed.

Comcast Rewire and Copies of Keys

We have entered into agreement with Comcast Communications to have all buildings rewired with new coaxial cable for improved service for cable communications. Access to every unit will be necessary. An inventory of all unit keys will be performed. If a copy of a condominium key is not available or the key does not work, the owner will be asked to provide one. If an owner refuses to provide a key, a locksmith will make a copy and the owner will be assessed the

charge. The Association has a right to take this action per the agreement owners made when purchase into the Association was made.

Oil in Parking Lots

There is lots of fresh oil in parking spaces. If your vehicle or your renter's vehicle is leaking oil you will receive a warning to clean up the area. If no action is taken, a fine of \$50 will be levied.

Hallways used as Play Areas

Please do not allow your children to play in the hallways. This is disruptive to other residents. Warnings will be given, followed by a fine.

Free Mulch

Wood chips for use as mulch are available behind the tennis courts. Take all you need. It's free. Our maintenance staff will not provide support with the loading or bagging of wood chips. Please clean up after yourself and do not allow chips to fall onto the street.

Use of Dumpsters

The trash dumpsters are only for trash that is accepted by the county land fill and for a reasonable amount of trash from residents. The association is billed \$40 for over sized items like refrigerators, couches, bed frames, mattresses, and tables. If you are caught tossing a mattress or other large object into the dumpster, expect a \$50 fine.

You can make a difference

The Annual Homeowners Meeting will be in September. Many are unhappy with the way things are run. You can make a difference by being on the Board of Managers. Send an email message to me at Richard@DillonValley.org or leave word at the Clubhouse at 970-468-1371. We will get your name to our nominating committee.

Sincerely,

Richard Garcia
President

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
June 11, 2008
Dillon, Colorado**

I. CALL TO ORDER

The meeting was called to order at 7:05 p.m. by Richard Garcia.

Board members present were Richard Garcia, Cathy Brosius, Paul Hage, Mike Kurth and Sylvia Dowty.

Owners Lee Vroble (X302), Jill Debs (X106), Jim Hale (U302) and Anna (Ellie) Bray (P203) were present.

Representing Basic Property Management were Dan Ulmer, Lanelle Barnett and Martin Cenicerros. Erika Krainz of Summit Management Resources was recording secretary.

1. APPROVAL OF PREVIOUS MEETING MINUTES

Mike Kurth made a motion to approve the May 21, 2008 Board Meeting minutes as presented. Cathy Brosius seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Ellie Bray questioned the policy of leaving a unit key with management at the Clubhouse. Richard Garcia said the policy was established to allow for emergency access. She also asked about the cable replacement. Richard explained that all coaxial cable throughout the complex would be replaced. The new cable will be run from the boiler room to each unit. The cable will be run externally on each building but it will be covered. The contractor is scheduled to start work in August with a six week completion period. During that time, Comcast will not enter the unit without an adult owner, resident or management representative present. Comcast has agreed to do all the rewiring at a cost of about \$40,000 and Comcast will front the expense. In exchange, the bulk rate will increase from about \$20/unit/month to \$26/unit/month. The basic rate for non-bulk residential service is over \$50/unit/month. The recabling is necessary due to existing problems with the original wiring. Comcast has indicated that there will not be exposed wiring and the cable will be run to the existing outlets. Extra outlets can be installed at owner expense. Ellie Bray said she would like to present when the cable inventory is done in her unit.

Jim Hale discussed a problem he was having with an occupant of the unit below him. He is in the process of renovating his unit and the roommate of the unit owner below him has been harassing him about the construction noise. There has also been an issue with dog waste in the hallway. Richard Garcia said he would speak to the unit owner.

Jill Debs said she would talk to Val Crangle of Ideal Management about her tenants in X205.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. MANAGER REPORTS

A. Maintenance Manager

1. Replaced main building lights on buildings AA, P, F and A.
2. Filling all low spots in the grass with top soil.
3. Addressed leak on F102.
4. Replaced heat pump on E Building heating system.
5. Replaced the boiler thermocouple in Building I.
6. Replaced the boiler thermocouple in Building Y boiler.
7. Resolved electrical problem on N Building boiler control.
8. Fire alarm batteries in common areas were replaced in all buildings.
9. Replaced lights on Dillon Valley East sign by AA Building.
10. Cleaned and decorated green area along AA Building.
11. Parking control signs are being fixed or replaced.
12. Patio and balcony inspections are underway.
13. Fixed leaking zone valve in J103.
14. Removed all Christmas lights from balconies and windows.
15. Issued eleven warnings for various violations and placed warnings on doors.
16. Placed thirteen warnings on doors.
17. Planted nearly one hundred trees.
18. Repainted tennis backboard.

Dan Ulmer reminded owners to keep their car and unit doors locked and to call the Sheriff if they see any suspicious activity. Paul Hage said there had been some vandalism in the complex and there have been problems recently with theft throughout the county. Dan said the Sheriff had increased patrols.

B. Delinquency Report

Dan Ulmer reviewed the delinquency list. The total delinquent balance was \$39,182.

Richard Garcia said there was a significant problem developing with delinquencies. He recommended publicizing the names, unit numbers and amounts owed for any owner over \$1,000 delinquent. Paul Hage supported the idea but thought the legality should be checked with the attorney first. Richard said he would check with the attorney in the morning before publicizing.

VI. TREASURER'S REPORT

A. Operating Fund P&L as of May 31, 2008

Paul Hage said there were some late revisions to the numbers that were not reflected in the final report. Year-to-date total income was \$604,997, total expenses were \$661,829 and net income was (\$56,832) against a budgeted deficit of (\$67,051).

Significant variances to budget included:

1. Building Maintenance - \$24,966 under budget due to less boiler repairs than anticipated. There was \$4,000 in maintenance expenses that was classified under boiler installation in the Clubhouse which will be moved to this account. A heat exchanger was purchased for about \$4,200 that was also misclassified as a Reserve item instead of Operating.
2. Club and Pool/Spa Maintenance - \$3,715 under budget.
3. Electrical Expense - \$2,197 under budget.
4. Gas Expense - \$22,759 over budget due to lower average temperatures.
5. Grounds Maintenance - \$821 over budget.
6. Legal Fees - \$1,952 over budget due to fire and foreclosure issues.
7. Snow Removal - \$4,965 over budget.
8. Truck/ATV - \$1,101 over budget.

B. Year-to-Date Reserve Fund Status

Year-to-date income and interest was \$130,616 and expenses were \$27,800 (for boiler work in the Clubhouse).

Sylvia Dowty made a motion to approve the Financial Report. Mike Kurth seconded and the motion carried.

Paul Hage said there was a Reserve Fund Expenditure Committee formed last year to look at capital improvements. They were working on a plan to replace the inefficient boilers in order to reduce gas consumption and maintenance expenses. They were also trying to develop a plan for balcony and siding replacements. Committee members are Cathy Brosius, Bob Price and Paul Hage.

VII. COMMITTEE REPORTS

A. Buildings, Grounds and Landscaping Committee

The Johnson's were not present. Cathy Brosius asked when the Bobcat would be on site. Dan Ulmer said he needed to find a trailer to move it and he hoped to have it on site within the next week.

B. Architectural Review Committee

Cathy Brosius said she received two applications.

1. The owner of J110 would like to install a fence. She is waiting for the drawing.
2. The owner of Y303 requested authorization to install a washer/dryer. The request was approved since all required information was submitted.

VIII. OLD BUSINESS

A. Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments

There was no report.

B. *Building G Fire Update*

Richard Garcia reported that he and Dan Ulmer were working with the public adjuster and the restoration company to get all the final bills paid. Total cost to date is \$505,000. The public adjuster will receive 10% of that amount. The adjuster has already been paid about \$43,000. The adjuster will try to redeem his fee from the insurance company in order to repay the Association, but Richard said the Association should assume that they will be responsible for the remainder.

The owner of G103 is still experiencing problems with the cable TV but when the contractor came to check it, the cable was working.

The owner of G202 reported a constant heat problem. The contractor found a defective zone valve. The part is on order and should be installed next week.

C. *Unit Inspections*

Unit compliance inspections (curtains, balconies, etc.) are underway. Martin Cenicerros has already created a list of all fences with problems. He will remove any abandoned satellite dishes (there are about twenty-one of them). Cathy Brosius was concerned about leaving operable dishes attached to railings; she felt it would set a precedent. Martin said removing them would leave unsealed holes in the railings, which could cause the wood to rot.

D. *Delinquencies*

Richard Garcia proposed raising the delinquent fee from the current \$10 to \$500 for any owners delinquent over sixty days. Richard researched the Association documents to determine if this would be allowed. The Bylaws specify the late fee amount. Amending the Bylaws would require attendance of a quorum at a meeting and then a favorable vote by the majority present. This should be an agenda item at the Annual Meeting. Sylvia Dowty thought the proposal to the membership be presented at a lower fine level with the option of adjustment up or down in the future. The wording should provide flexibility for the long term. Richard will work with the attorney and the Board will decide on the level of the fee at next month's meeting.

The Bylaws would allow that debtors be "locked out" of their unit if they are more than thirty days delinquent with payments. Richard will consult with the attorney about this concept to make sure Colorado law will allow for this. Cathy Brosius suggested quoting this section of the Bylaws in the next late payment reminder letter.

Richard again proposed publicizing the names, unit numbers and amounts owned for any owners owing over \$1,000. He will check with the attorney on the legality of this action. If it is allowed, the Board authorized him to publish the information in the next President's Notes.

E. *Painting and Doors and Siding Replacement*

Dan Ulmer picked the buildings in the worst condition that need to be painted, and have some siding and doors replaced. The buildings included B, E, F, G, H, I, J and AA.

1. Siding Replacement - \$193/sheet. Platte River estimated it would cost \$6,100 per building. This is twice as much as was paid last year.
2. Painting – Bids were received for \$52,000 and \$96,000 for all eight buildings.
3. Deck Railing Replacement/Redesign – The bid received was \$453 per balcony. In addition, there was a bid of \$1,200 per building to replace the top railings with Trex. There may be a less expensive material.
4. Doors - \$2,500 each.

Dan will try to have hard numbers within the guidelines established for the July meeting.

F. *Boiler Replacement*

The Clubhouse boiler replacement was about \$10,000 total. Cathy Brosius said she would like to see a comparison of one month of the utility costs from last year versus this year.

IX. NEW BUSINESS

A. *Fence Removal*

Warning letters regarding damaged fences, including a date for compliance, will be sent to owners within the next few days. Cathy Brosius said the Rules indicate the owner is responsible for paying for removal. Dan Ulmer said he had told some owners (who did not plan to replace the fences) that the Association would pay for removal. Sylvia Dowty said the Association should not set a precedent. Dan said the fences that were being replaced were being removed by the contractor at owner expense. The fences can be broken down and disposed of in the dumpster. Dan said there were a total of five fences to be removed without replacement, mostly one bedroom units. Dan was directed to contact the owners of those units and to tell them his decision was overruled by the Board. One bedroom units will be charged \$40, two bedrooms \$80 and three bedrooms \$120 for fence removal. Owners can make their own arrangements for removal but the fences must be down by July 31, 2008.

B. *Pests*

There has been a problem with pests in units. Owners of units from which the pests migrate will be billed for the extermination of insects throughout the building. If residents need to temporarily relocate, the owner of the infested unit may be liable for their expenses.

C. *CAI Training Session*

Richard Garcia and Dan Ulmer attended a Community Associations Institute (CAI) training session. Richard is networking with other Board Presidents on procedures.

D. *Nominating Committee*

Richard Garcia asked the Board to consider appointing Glenn Johnson to fill the Board vacancy left by Mike Immordino. Sylvia Dowty made a motion to appoint Glenn Johnson. Paul Hage seconded and the motion carried. His term will expire in September 2009.

E. Building Lighting

Cathy Brosius was concerned that the exterior lights were not illuminating the bottom of the buildings. She asked Dan Ulmer to look for fixtures that will better light the lower sections. The fixtures should conform with the “dark sky” initiative.

F. Carts

Cathy Brosius suggested looking into buying some carts for the maintenance staff to use instead of the trucks to save on fuel. It was noted that winter storage would be an issue.

G. Bicycle Overflow

Cathy Brosius suggested asking residents to tag their bikes with their unit number. Any bikes that are not labeled by a given date could be removed. Cathy will research tagging methods.

H. Management Contract

Paul Hage said the management contract term expires at the end of the year. He would like to get started on a review of the contract and to make a comparison with other companies. He volunteered to serve on a Committee. Sylvia Dowty and Mike Kurth also volunteered. Dan Ulmer will provide a clean draft of his current contract. Richard Garcia strongly recommended sticking with the current management company.

I. 2009 Budget

Richard Garcia said he would like to have the next budget ready for review by September 2008.

X. SET NEXT MEETING DATE

The next Board Meeting will be Wednesday, July 16, 2008. The Annual Meeting will be Saturday, September 20, 2008.

XI. ADJOURNMENT

The meeting was adjourned at 9:00 p.m.

Approved By: _____
Board Member Signature

Date: _____

Addendum: Treasurer's Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF MAY 31, 2008

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	5,666.49	442,365.09	448,031.58
Other Current Assets	28,109.49		28,109.49
Fixed Assets (net of depreciation)	237,332.11		237,332.11
	<u>271,108.09</u>	<u>442,365.09</u>	<u>713,473.18</u>
Current Liabilities	(7,280.42)	(40,000.00)	(47,280.42)
Long Term Liabilities	204,312.48		204,312.48
Donated Capital	2.00		2.00
Retained Earnings	130,906.17	370,368.22	501,274.39
YTD Net Income	(56,832.14)	111,996.87	55,164.73
Total Liabilities & Equity	<u>271,108.09</u>	<u>442,365.09</u>	<u>713,473.18</u>

Operating Fund P&L

	Actual	Budget	Diff
May Total Income	121,510.59	119,722.35	1,788.24
May total Expenses	103,002.00	96,481.60	6,520.40
May Net Income	<u>18,508.59</u>	<u>23,240.75</u>	<u>-4,732.16</u>
YTD Total Income	604,996.99	598,611.63	6,385.36
YTD total Expenses	661,829.13	665,662.87	-3,833.74
YTD Net Income	<u>-56,832.14</u>	<u>-67,051.24</u>	<u>10,219.10</u>

**Delinquencies
Owner Balance Summary**

As of May 31, 2008

Owners below are in default of their monthly assessments and late payment fees.

Name	Unit	Amount Owed
Kuzminova, Raisa/ Alexander	A206	\$7,613.72
Haws, Susan	B101	\$4,390.84
Baca, Sarah	G304	\$3,299.77
Link, Christian	G206	\$3,091.29
Iliff, Benjamin	Y302	\$2,510.39
Ortiz /Cazares	D103	\$1,698.23
Salinas / Sanchez	G106	\$1,573.74
Sorour, Adel	Z306	\$1,472.91
Korshunov, Alexander G.	BB104	\$1,407.28
Fletcher, Laura	I202	\$1,203.04

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
July 16, 2008
Dillon, Colorado**

I. CALL TO ORDER

The meeting was called to order at 7:02 p.m. by Richard Garcia.

Board members present were Richard Garcia, Cathy Brosius, Sylvia Dowty, Paul Hage, Glenn Johnson and Mike Kurth.

Owners Lee Vroble (X302), Barbara Ferguson (BB102) and Sheila Leslie Collard (W303) were present.

Representing Basic Property Management were Dan Ulmer, Julian Brodie and Martin Cisneros. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the June 11, 2008 Board Meeting minutes as presented. Mike Kurth seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Barbara Ferguson requested a waiver of the \$300 fee for turning off the water. Her shut off and zone valves were not replaced last year although she thought she was on the list. Dan Ulmer said she had told Basic that she did not want anyone in the unit without shoe covers and said she would have her entire unit professionally cleaned, so the contractor did not want to enter her unit because of liability issues. Sylvia Dowty said it appeared there was miscommunication on both sides. She proposed splitting the fee. Barbara said she would accept the fee split. Richard said the work would have to be done before September. Dan said she needed two shut off valves and a zone valve. She should have her plumber coordinate with Julian Brodie a day or two before the work is scheduled so he can make arrangements to provide access.

Sheila Leslie Collard said she had lived in the complex for eleven years and the windows had never been washed. Richard Garcia said the Association did not wash unit windows, only common area windows. She commented on increased crime and said her car was keyed. Richard confirmed that the crime rate had increased. She said her building hallways needed to be cleaned and painted. Dan Ulmer said they were starting with that project at the top of the hill and working their way down. Julian Brodie suggested picking out the hallways in the worst condition and painting them first. Richard thought the plan was to paint the interiors of the buildings that were having their exteriors painted.

The owner of Unit H202 gave Richard Garcia permission to discuss a complaint they made about being harassed by their neighbor in H302. One morning at 6:30 a.m. the husband opened his unit door and a dog ran into his unit, hid under a bed and finally had to be chased

out into the hallway. It was determined that the dog belonged to the owner in H302. Later that morning at 11:00 a.m. when a family member entered the building to visit, he was verbally assaulted by the resident in H302. A week later the owner of H202 and his son were in the parking lot cleaning his vehicle when the owner of H302 came out on the porch and gave threatening looks while opening and closing a knife. There have not been any other incidents since then. The owner of H202 did not contact the Sheriff as there was no physical altercation but if it occurs again the Sheriff will be called.

Dan Ulmer requested a letter from the Board regarding the requirement of a muffler on truck brakes. The section running past Dillon Valley is the only portion of I-70 that does not enforce the regulation.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. MANAGER REPORTS

A. Maintenance Manager

1. Repairing all broken concrete, filling cracks and repairing stairs.
2. Repaired pipe leak in D Building.
3. Need to repair a leak in E Building. There is underground water seepage that occurred last night. The source appears to be the Straight Creek irrigation ditch and the owner has been contacted about contacting their insurance carrier about coverage. The Association is waiting to hear from the owner of the water source. If no action is taken, legal recourse will be pursued.
4. Replaced the heat exchanger in C Building.
5. Replaced sections of bad pipe in D101 and D102.
6. Replaced sections of bad pipe in F building.
7. Striped parking lots.
8. Cleaned carpets.
9. Installed some new light fixtures from Home Depot that shine down on the building exterior. Richard Garcia recommended a commercial grade fixture as Home Depot may not carry the same fixture in the future.
10. Several units were exterminated.
11. Repaired dumpster enclosures. They now need to be painted.

B. Office Manager Report

1. A key inventory will be done for all units starting June 16th.
2. Removed bird feeders from patios on the first level to avoid attracting bears.
3. Gave a warning to the tenant in H101 regarding a racist attitude with neighbors and employees.
4. Fixed the carpet on the stairs of A304.
5. Fixed the corner of E Building where nails were showing.
6. Dealing with problems between H302 and an employee.
7. Resident of J207 cleaned up the oil in J107's parking spot after receiving a warning.

8. Fixed last main door of N Building.
9. Started inspections of blinds and curtains on June 27th. Paul Hage noted that the unit owners should be notified, not just the tenants.
10. Fixed handrail in hallway of T305.
11. Fixing broken light in main door of X206.
12. Cleaned oil on balcony of E202 and patio of E102.
13. Helped Sheriff with the case of a gun found in the hallway of H Building on July 4th.
14. Two charcoal grills were removed from patios after first warnings.
15. Issued two fines to residents of A206 and D101. No response has been received.
16. Issued 13 warnings to units and 15 to cars and towed a car from Q104.
17. Completed security inspection.

B. Delinquency Report

Dan Ulmer reviewed the delinquency list. The total delinquent balance was about \$40,186. The top ten balances were:

1. Raisa/Alexander Kuzminova A206 - \$8,618. In foreclosure by lender.
2. Christian Link G206 - \$4,279. In foreclosure by lender.
3. Susan Haws B101 - \$4,246. Sent to attorney and owner set up payment plan.
4. Sarah Baca G304 - \$3,882. Attorney has started foreclosure proceedings.
5. Benjamin Iliff Y301 - \$3,374. Being foreclosed by lender.
6. Kingle/Benjamin Garner W201 - \$3,006. Lender foreclosed so Association will receive six months of dues.
7. Laura Fletcher I202 - \$1,921. Sent to the attorney.
8. Richard and Lillian Giamanco R204 - \$1,220. Sent lien letter but no response has been received. It will be sent to the attorney.
9. Salinas/Sanchez G106 - \$1,075. The owner is making payments.
10. Joseph and Aimee Warner V101 - \$1,005. Filed a lien and sent a foreclosure warning.

Sylvia Dowty noted that Dan Ulmer could now request a copy of the closing statement from foreclosures.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial reports.

A. Operating Fund P&L as of June 30, 2008

Year-to-date total income was \$724,387 (0.8% over budget), total expenses were \$777,074 (0.6% under budget) and net income was (\$52,687) against a budgeted deficit of (\$63,761).

Significant variances to budget included:

1. Building Maintenance - \$38,638 under budget. The variance is mainly the result of not painting the buildings or recarpeting hallways yet.
2. Club and Recreation - \$3,912 under budget.

3. Gas Expense - \$31,943 over budget, about 16%. Paul Hage said this was a concern given the increased gas rates. The Association has locked the rate at \$9.875/decatherm for twelve months
4. Grounds Maintenance - \$3,157 over budget due to higher trash removal expense and purchase of supplies that will last through the summer.
5. Legal Fees - \$1,627 over budget due to consultants for fire and foreclosures.
6. Snow Removal - \$4,965 over budget.
7. Truck/ATV - \$1,514 over budget with snow days and cost of gas being factors.

Current Liabilities of (\$96,852) are for fire damage expenses and the consultant fee. A refund of at least \$50,000 and potentially \$90,000 should be forthcoming from the insurance company. Once received, this item will be removed from the Balance Sheet.

Year-to-date Reserve Fund income and interest was \$156,781 and expenses were \$27,257 for Clubhouse boiler upgrades and \$15,313 for moldings for the Comcast rewiring on the building exteriors.

Sylvia Dowty made a motion to approve the Financial Report. Glenn Johnson seconded and the motion carried.

VII. COMMITTEE REPORTS

A. Buildings, Grounds and Landscaping Committee

So far the areas between the Clubhouse and the road have been trimmed and sprayed for weeds. Several trees have been mulched and Glenn Johnson commented that the loader has been a great help. The remaining trees will be mulched when they return. A plan has been submitted for adding timbers and flowerbeds for the bottom area by AA Building.

B. Architectural Review Committee

Cathy Brosius received a couple of applications for fences. Dan Ulmer said he would be removing the fence at X104.

VIII. OLD BUSINESS

A. Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments

Glenn Johnson said he checked the books and all were in order.

Glenn suggested establishment of a dog run area with the stipulation that it will be removed if not cleaned up.

He said he noticed three cars with flat tires, some that have been that way for more than two months, and a boat trailer with no tire. Martin Cisneros said the boat trailer would be removed tomorrow.

The edge and floor of the pool is rather dirty and there have been mops and pails sitting in the corner since the boiler replacement.

Dan Ulmer will work on the railing down to the basement.

Cathy Brosius said the grass needed to be scraped off at the ends of the buildings where the shrubs will be planted.

B. Building G Fire Update

Richard Garcia said all bills had been paid and they are now waiting for the insurance company to reimburse what is owed.

C. Delinquencies

As discussed last month, the Board has been considering raising the delinquency fee from \$10 to \$500 on the 61st day of delinquency. Some Board members felt the fee was high and Richard Garcia had asked them to think about it for a month. Richard and Dan Ulmer will draft a policy to present at the Annual Meeting. Given the growing delinquent balance, all Board members were in agreement. The policy should be worded so it can be increased by the Board without going back to the owners.

D. Exterior Building Lighting

Julian Brodie installed some brighter exterior lights. Cathy Brosius said they worked well and the program of replacement should be continued.

E. Carts

Dan Ulmer had suggested golf carts for the staff to get around the property. They turned out to be more expensive than anticipated so he has decided an ATV with a blade would be better. The intent is not to rent the loader next winter to save \$3,000 per month in the snow removal budget. They will use the two trucks instead and look into an ATV with a blade. Paul Hage said he would want to analyze the Reserve Fund income for the year and the projected expenses before buying any more equipment. A decision was tabled until next month.

F. Steam Cleaner

Dan Ulmer said the Board had approved the purchase of a steam cleaner but it had not yet been purchased. He recommended buying one now because it can be used for a number of projects. The cost will be about \$5,000. The Board approved this purchase.

G. *Trucks*

Julian Brodie said he needed to buy two sets of all season tires for the trucks. He will sell the existing. This purchase was authorized.

The frame on the brown pickup is cracked and cannot be used to push snow until it is repaired. It can be welded. Richard Garcia recommended fixing the brown truck. Cathy Brosius recommended getting an estimate for the repair before any more equipment is purchased.

H. *Bicycle Tags*

Bicycle identification tags have been received. Cathy Brosius proposed putting up signs on the buildings asking bike owners to stop by the Clubhouse to pick up a tag. This program should be implemented on the three buildings with the most bikes first.

I. *Management Contract Committee*

Paul Hage, Sylvia Dowty and Mike Kurth served on this Committee. Paul Hage said Glenn Johnson read the existing Management Contract and had some questions. It states that every May the management company is supposed to provide an inventory of parts. Paul suggested including any parts costing over \$1,000. Dan Ulmer agreed to provide this inventory. There should also be an inventory of Association equipment such as the trucks and tractors. The equipment list should tie to the fixed assets that are being depreciated. Paul requested these lists by the next meeting.

As part of the Management Report, Dan Ulmer was asked to provide a list of employees and their employment status (full or part time).

J. *Status of 2009 Budget*

Richard Garcia requested a rough draft 2009 Budget by the next Board Meeting.

K. *Reserve Fund Projects*

1. Painting Entrance Doors - Painting bids were received for \$65,520, \$77,440 and \$96,000. The low bid was the same company that painted Marina Place and did a good job and Dan Ulmer would like to use this contractor. The bid to replace and install 21 entrance doors, mostly singles and a few doubles, with glass on either side, was \$31,673.
2. Balconies – A bid of \$60,450 was received to take off 78 balconies on 8 buildings except for the uprights, to replace the top rail with Trex and replace all the balusters. The wood will be a select primed white pine with no diamond cut outs, with bolt screwed on the 2' x 4's so they can be pre-made, primed and ready to go for replacements. Currently the entire deck has to be taken apart to replace one baluster. The top rail will be a neutral color.
3. Siding and Trim – Bids of \$39,550 and \$88,000 were received to replace only the delaminating sections, including the trim. It is difficult to get this size of T111.
4. Playground Equipment – The equipment will cost \$7,000 – \$8,000.

All these projects would be done on the D, E, F, G, H, I, J and AA Buildings. The total cost for all projects will be about \$203,000.

The asphalt contractor will be on site this Friday. The emphasis will be on crack sealing and filling potholes.

The Board agreed all the projects discussed should be started except the playground equipment. Cathy Brosius felt it was important to provide the equipment so the children will have somewhere to play off of the parking lots.

Paul Hage said he would like to get the projects underway but he would like to meet with Dan Ulmer and Lanelle Barnett to review the Reserve project expenses. Paul said he would like to authorize replacement of the boilers in one of the standard buildings to determine the actual cost. Julian Brodie will select the building with the least efficient boiler. Mike Kurth volunteered to work with Paul on the Reserve review.

Dan Ulmer recognized Lee Vroble for doing work in the common area of his building. He suggested trying to get other owners to help with projects such as touch up painting. Attempts have been made to hold an Owner Work Day in the past but there was no participation. Sylvia Dowty recommended putting a statement in the minutes every month inviting owners to pick up paint for touch up work.

IX. NEW BUSINESS

A. Officer Election

In the absence of a Vice President since Mike Immordino sold his unit and moved to the east coast, Sylvia Dowty nominated Mike Kurth to serve as Vice President. He accepted as long as he does not have to become President. He was elected unanimously.

X. SET NEXT MEETING DATE

The Annual Meeting will be September 20, 2008 at 10:00 a.m. in the Dillon Valley East Clubhouse.

The last day for self nomination for owners is July 29, 2008. The Committee can submit nominations until August 21, 2008.

The next Board Meeting will be Wednesday, August 20, 2008 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XI. ADJOURNMENT

The meeting was adjourned at 9:13 p.m.

Approved By: _____
Board Member Signature

Date: _____

Addendum: Treasurer's Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF MAY 31, 2008

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	5,666.49	442,365.09	448,031.58
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Operating Fund P&L

	Actual	Budget	Diff
May Total Income	121,510.59	119,722.35	1,788.24
May total Expenses	103,002.00	96,481.60	6,520.40
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YTD Total Income	604,996.99	598,611.63	6,385.36
YTD total Expenses	661,829.13	665,662.87	-3,833.74
YTD Net Income	<u>-56,832.14</u>	<u>-67,051.24</u>	<u>10,219.10</u>

YTD

- Building Maintenance is under budget by \$38,638 due to lower basic building maintenance and boiler repairs than anticipated. Also, painting of buildings, stairways and re-carpeting of hallways has not yet begun. Bids have been obtained and this work will begin soon.
- Clubhouse, Pool/Spa/Sauna maintenance is under budget by \$3,912.
- Gas expense is over by \$31,943, or about 16%, which is a concern, due to increased gas rates. A rate was just locked in that is less than what we have been paying, which will help.
- Grounds Maintenance is over budget by \$3,157. Higher than budgeted trash removal costs are a factor. Also, in June, supplies for summer ground maintenance that will be used throughout the summer were purchased.
- Legal fees are over by \$1627 due to consultations related to the fire and foreclosures.
- Snow removal is over by \$4,965 due to the number of snow days. Truck/ATV expense is over by \$1,514 with the snow days and currently, the cost of gas being factors.

Notes from the Prez

July 2008

Our next Board meeting will take place on Wednesday, August 20th, 7:00pm in the clubhouse.

Annual Homeowners Meeting

The Annual Homeowners Meeting will be September 20th, 10:00 AM, in the Clubhouse. Lunch will be provided. The terms of 3 Board members will expire. Those members are:

Richard Garcia
Paul Hage
Bob Price

If you would like to be nominated for a position on the Board, please send a not to us at Clubhouse@DillonValley.org, or call the clubhouse, or Basic Property Management. Your message will be given to one of our nominating committee members.

Delinquencies are Published

We have owners who are causing the rest of us to be their loan agent. The association is due approximately \$40,000 each month by a few who are having a difficult time paying assessments (dues and or fines).

Beginning with this issue of the minutes, names of unit owners who are delinquent \$1000 or more will be published. If you know any on the list, maybe you can assist them with their financial woes. We understand that job layoffs and foreclosures occur and we attempt to work with individuals. But when we have owners who repeatedly are late with their assessments, the association, you and me, have to fill in the money gap.

Free Mulch

Wood chips for use as mulch are available behind the tennis courts. Take all you need. It's free. Our maintenance staff will not provide support with the loading or bagging of wood chips. Please clean up after yourself and do not allow chips to fall onto the street.

Use of Dumpsters

The trash dumpsters are only for trash that is accepted by the county land fill and for a reasonable amount of trash from residents. The association is billed \$40 for over sized items like refrigerators, couches, bed frames, mattresses, and tables. If you are caught tossing a mattress or other large object into the dumpster, expect a \$50 fine.

Crime Rate is Increasing

The crime rate in Dillon Valley is increasing. The Sheriff has added more tours through our neighborhood to show presence. Please insure the entry door to your building is completely closed and do not block open the main entry door longer than necessary to load/unload your vehicle or take out the trash.

Bears

Bears are present in our region and they are looking for food. Please be careful when approaching a dumpster, as you may surprise a bear doing some dumpster diving. Our maintenance staff closes open dumpsters, but those smart bears know how to lift a lid and climb in.

Building Painting

We will begin painting 8 buildings in the next few weeks. Notices will be placed on entry doors. If you will be home during paint operation, please move your vehicle to a different parking lot for the day to avoid over-spray onto it. If your parking permit is displayed correctly in your vehicle it will not be towed during this period.

Sincerely,

Richard Garcia
President

Dillon Valley East Condominium Association Budget Committee Meeting

September 17, 2008

Dillon, Colorado

A Budget Committee meeting was held on Wednesday, September 17, 2008 at Basic Property Management offices. President Garcia called the meeting together at 6:55 PM.

DVE Board Members present:

Richard Garcia, President
Cathy Brosius, Secretary
Bob Price
Mike Kurth, Vice President
Glenn Johnson
Sylvia Dowty

Basic Property Mgmt:

Dan Ulmer
Lanelle Barnett
Gary Nicholds

Purpose of meeting: Address the 2009 budget for Dillon Valley East Condominium Association

Conduct of meeting:

The meeting was called to order by President Richard Garcia. Lanelle Barnett, the associations accountant, led the meeting through the proposed budget for 2009

Fire cost DVE \$57,000

Natural gas cost in excess of \$291,000

Items for reserves:

- Parking lot paving - \$30,000
- Security Doors – \$20,000
- Siding Replacement - \$40,000
- Balcony Replacements - \$60,000
- Boilers (3) - \$60,000

Discussion was held regarding how the increased percentage of the 2008 dues to the Reserve account was used for major items. It was a good move because the expenses from the Reserves during 2008 were in balance with the amount deposited to Reserves. For 2009, it was proposed that the amount entered to the Reserve account be decreased. This would help reduce the dues increase. However, it will not prevent an increase in dues.

Pending negotiation with Basic Property Management, the cost for their service will increase to a rate of not less than 3% but not more then 6%.

Adjournment:

Meeting adjourned at 8:40 PM

Submitted by: Cathy Brosius, Secretary
September 17, 2008

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
September 20, 2008
Dillon, Colorado**

I. CALL TO ORDER

The meeting was called to order at 1:44 p.m. by Richard Garcia.

Board members present were Richard Garcia, Cathy Brosius, Sylvia Dowty and Bob Price.

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

I. APPROVAL OF PREVIOUS MEETING MINUTES

Cathy Brosius made a motion to approve the August 20, 2008 Board Meeting minutes as presented. Bob Price seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

There were no questions or comments from the floor.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings. Cathy Brosius requested that the owner of Unit E306 be fined again for continuing to have a third vehicle, lack of a parking permit and leaving the car running while parked tail in.

V. RESIDENT MANAGER'S REPORT

A. Completed Projects

Julian Brodie reviewed his report:

1. Emptied and cleaned the pool, painted the floor around the pool and replaced sand filters.
2. Placed new dirt along new sidewalk and will seed it this fall.
3. Installed new playground.
4. Installed new cable for mechanical area to keep cars out.
5. Fixed sewer in BB Building.
6. Installed bulletin boards in entrances of the buildings.
7. Fixed trash container at R Building.
8. Cleaned rear of garage.
9. Mowed grass.
10. Inspected hallways and cleaned carpets.
11. Installing lights by entrance of AA Building.
12. Installed blinds in Clubhouse, inspected lights and replaced missing floor tile.

13. Installed signs in the parking lots.
14. Washed main entrances in front of the buildings and roof of the boiler room with hotsy.
15. Repaired basketball court.
16. Paved around the laundry.
17. Removed mulch in front of O Building.
18. Repairs lights in V Building corridors.
19. Repaired sewer in W101.
20. Worked with asphalt company on moving cars and sidewalks.
21. Worked on balconies and exteriors of the balconies.
22. Worked with Comcast to install cables.
23. Worked with painting company.
24. Worked with pest control in O, X, F and G Buildings.
25. Repaired four blinds in bad condition.
26. Three units changed their curtain colors.
27. Towed a motorcycle in I Building.
28. Fined G302 for not moving dish from balcony.
29. Towed one pickup and one car from E Building.
30. Towed one car from Q Building.
31. Posted eleven warnings on cars and six warnings on unit doors.
32. Attended to two leaks in J105 and A105.

B. Delinquency Report

Lanelle Barnett reviewed the Delinquency Report.

1. Kuzminova A206 - \$9,433. In foreclosure.
2. Baca G304 - \$6,121. Started foreclosure proceedings.
3. Link G206 - \$5,521. Foreclosed.
4. Garner W201 - \$4,311. Attorney has started foreclosure but owner has contacted management about starting payments and trying to refinance.
5. Haws B101. \$3,959. On a payment plan.
6. Giamanco R204 - \$2,019. Sent to attorney.
7. Fletcher I202 - \$1,952. Sent to attorney.
8. Korshunov BB104 - \$1,670. On payment plan.
9. Ortiz D103 - \$1,276. On payment plan.
10. Warner V101 - \$1,096. Sent to attorney.
11. Eickhoff D304 - \$1,061. On payment plan.

VI. TREASURER'S REPORT

Lanelle Barnett reviewed the financial status as of August 31, 2008.

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.

Sylvia Dowty made a motion to approve the Treasurer's Report. Bob Price seconded and the motion carried.

VII. OLD BUSINESS

- A. *Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments*
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.
- B. *Architectural Review Committee*
There has not been activity since the last meeting but Cathy Brosius was approached by several owners about some different projects.

VIII. OLD BUSINESS

- A. *Security Inspection Book*
Richard Garcia will check the book after this meeting.
- B. *Building G Fire Update*
This is now a closed issue. The check has been received from the insurance company and has been deposited.
- C. *Bylaws Amendment on Delinquencies*
The Amendment was put to a vote at the Annual Meeting and passed. The Board needs to create a Resolution for the process for future Boards to follow. Bob Price will put together several different drafts before the next Board Meeting for discussion.

D. ATV

Julian Brodie said cost for the machine he would like to purchase will be \$8,000 – 10,000 including a plow. Sylvia Dowty requested a copy of the specs as she may be able to get a good price from one of her clients.

Bob Price made a motion to approve the purchase of an ATV and accessories at a cost not to exceed \$10,000. Sylvia Dowty seconded and the motion carried.

E. Management Contract Committee

Sylvia Dowty said the Committee met last week. They agreed that Basic is doing a great job and has a great staff. There are a few changes to be made to the contract and a few items to be negotiated. The consensus of the Committee was that it was not necessary to obtain additional management bids. They will try to have the contract completed by the next Budget Meeting.

F. Budget Committee Report

The Committee met and has developed a preliminary budget. Their goal is to keep the dues increase as low as possible.

G. Oro Grande Ditch

The ditch issues have been resolved.

IX. NEW BUSINESS

A. Election of Officers

Bob Price made a motion to retain the same Officers. Sylvia Dowty seconded and the motion carried.

B. Clubhouse Apartment

Dan Ulmer has agreed to provide the labor to renovate the Clubhouse apartment kitchen. The Association will provide the appliances, cabinets, floor, paint and trim. The occupants will also provide labor for painting.

X. SET NEXT MEETING DATE

The next regular Board Meeting will be Wednesday, October 15, 2008 at 7:00 p.m. in the DVE Clubhouse. There will be a Budget Meeting that same day at 3:00 p.m.

XI. ADJOURNMENT

Sylvia Dowty made a motion to adjourn at 2:25 p.m.

Approved By: _____

Board Member Signature

Date: _____

Addendum: Treasurer's Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF JULY 31, 2008

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	6,208.17	413,036.97	419,245.14
Other Current Assets	54,118.30		54,118.30
Fixed Assets (net of depreciation)	211,895.93		211,895.93
	<u>272,222.40</u>	<u>413,036.97</u>	<u>685,259.37</u>
Current Liabilities	47,270.70	(96,851.72)	(49,581.02)
Long Term Liabilities	203,871.20		203,871.20
Donated Capital	2.00		2.00
Retained Earnings	114,609.17	369,790.58	484,399.75
YTD Net Income	(93,530.67)	140,098.11	46,567.44
Total Liabilities & Equity	<u>272,222.40</u>	<u>413,036.97</u>	<u>685,259.37</u>

Operating Fund P&L

	Actual	Budget	Diff
July Total Income	118,890.42	119,722.35	-831.93
July total Expenses	157,304.92	173,442.31	-16,137.39
July Net Income	<u>-38,414.50</u>	<u>-53,719.96</u>	<u>15,305.46</u>
	Actual	Budget	Diff
YTD Total Income	843,253.60	838,056.33	5,197.27
YTD total Expenses	936,784.27	955,537.44	-18,753.17
YTD Net Income	<u>-93,530.67</u>	<u>-117,481.11</u>	<u>23,950.44</u>

YTD we are ahead of budget, however there are several large timing variances. Bldg maintenance items budgeted but not yet done total approx \$52,000.

Boiler repairs - under budget by \$6,653.10

Damage claims - over budget by \$3,269.32

Gas - over budget by \$35,319.72

Parking lot repair - under budget by \$5,000 because not done

Summer Grounds Maintenance - over budget by \$11,980.81 due to concrete repair of \$10,000

Snow Removal - over budget by \$4,964.89

Notes from the Pres.

Greetings and Welcome to Winter

Thanks to all who were able to attend the Annual Meeting in September. We had a good turnout. As always, good comments from our members were made during the New Business section.

One topic of discussion was a suggestion to increase the number of parking spaces for 3-bedroom units to three. One space to be assigned and the other two would be unassigned. An ad-hoc vote was taken and the motion was defeated with a count of 64.4 for the motion and 84.2 against the motion. We were unable to count the votes during the meeting because all proxy material was with volunteers who were counting ballots for the amendment to the By-Laws and counting ballots for officers for year 2009.

The motion to amend the By-Laws to allow the Board of Managers to set the charges for late payments passed with 113 in favor and 59 opposed. The next task for the Board of Managers is to create a Resolution for future Board members to follow and to distribute to all owners. Thanks to all who came forward and provided suggestions on how to implement the change.

Another topic was Neighborhood Watch. We will investigate what it takes to implement the action. Belonging to a Neighborhood Watch, I know it takes commitment from all owners to communicate and care about one another. Look for a meeting date in either November or December.

We are have a inside wiring issue with Comcast Cable. All buildings were re-wired for better quality by a contractor for Comcast. The outside wiring was performed in a professional manner. However, the inside wiring was not installed per our agreement. Residents with extension cables in bedrooms discovered their bedrooms were not connected and the cable coming into the unit was just laying on the floor around furniture. So we will need to access all units to perform a quality inspection and possible correction to cable connections.

Your Board of Managers for 2009 will remain the same. Members reelected for new 3-year terms were: Paul Hage, Robert Price, and Richard Garcia.

During the regular Board meeting after the Annual Meeting, a nomination to remain with the same officers for 2009 was made and passed.

Your officers are:

President	Richard Garcia
Vice-President	Mike Kurth
Secretary	Catherine Brosius
Treasurer	Paul Hage
Member	Sylvia Dowty
Member	Glenn Johnson
Member	Robert Price

Thank You,

Richard Garcia
President
Dillon Valley East Condominium Association

**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: _____

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
October 15, 2008
Dillon, Colorado**

I. CALL TO ORDER

The meeting was called to order at 7:07 p.m. by Richard Garcia.

Board members present were Richard Garcia, Cathy Brosius, Bob Price, Mike Kurth, Glenn Johnson, Paul Hage and Sylvia Dowty.

Owner Tom Nickerson (R303) was present.

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

II. APPROVAL OF PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the September 20, 2008 Board Meeting minutes as presented. Glenn Johnson seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

There were no questions or comments from the floor. Richard Garcia said he received some calls regarding Comcast and he and Dan Ulmer were working to resolve the issues.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. RESIDENT MANAGER'S REPORT

A. Completed Projects

Julian Brodie reviewed his report:

1. Repaired domestic water leak in A105.
2. Installed expansion tank in Buildings U, X and G.
3. Replaced pressure relief valve in Building AA.
4. Replaced thermocoupler and pilot assembly in Building C.
5. Replaced hot water pump in Building B.
6. Replaced fill valve in Building B.
7. Removed debris from all boiler rooms.
8. Built steel bases for sand barrels near the bike path.
9. Placed eight sand barrels next to the bike path.
10. Installed new bike rack at Building E.
11. Fixed sewer line backup in Unit E106. Cathy Brosius commented that owners should be encouraged to contact management when they notice little problems so they can be addressed preventatively.
12. Replaced heat exchanger in Building G.

13. Replaced light fixtures in multiple buildings.
14. Sewer line backed up in H103.
15. Organized tools in garage.
16. Replaced hot water pump in Building A for heating system.
17. Repaired sprinkler lines and blew out the lines for winter.
18. Repaired bad heating pipes in Building Z.
19. Replaced thermocouplers in Buildings AA, BB, Z, Y, C and X.
20. Replaced heat exchangers in Buildings U, X and G.
21. Replaced exterior lights on the north sides of the buildings next to the interstate.
22. Replaced glass in eight fire extinguisher boxes in preparation for a fire inspection.
23. Towed three vehicles at Building E and one at Building I.
24. Placed twelve warnings on unit doors for various violations.

Three heat exchangers of two types are on order as there are none in reserve.

Bob Price requested that the actual cost versus outside contractor cost be included on the monthly Manager's Report. Paul Hage requested a list of the staff on a monthly basis.

B. Delinquency Report

Lanelle Barnett reviewed the Delinquency Report as of September 30, 2008.

1. Kuzminova A206 - \$9,845. Foreclosure by the lender has been withdrawn so the Association can pursue collection of the outstanding dues.
2. Baca G304 - \$7,652. Paid in full in October.
3. Link G206 - \$6,027. Foreclosed.
4. Haws B101 - \$4,415. Defaulted on payment plan and sent to attorney.
5. Garner W201 - \$3,461.
6. Fletcher I202 - \$2,384. Paid in full in October.
7. Giamanco R204 - \$2,330.
8. Korshunov BB104 - \$1,595. Making payments.
9. Warner V101 - \$1,410.
10. Ortiz D103 - \$1,177.
11. Eickhoff D304 - \$859.

VI. TREASURER'S REPORT

Lanelle Barnett reviewed the financial status as of September 30, 2008.

A. Year-to-Date Profit and Loss as of September 30, 2008

1. Total Income - \$1,083,590 actual vs. \$1,077,501 budget (0.6% over budget).
2. Total Expenses - \$1,244,462 actual vs. \$1,246,458 budget (0.2% over budget). Exterior painting was under budget as there are some invoices that have not yet been paid. The project should end up about \$5,000 over budget.

3. Net Income – (\$160,871) actual vs. (\$168,957) budget. There are big expenses in the summer but the income is budgeted for 1/12 of the total each month. It should even out by the end of year.

Natural gas is purchased on the commodities market and readings are sent to the supplier via telephone. It appears that some readings were not communicated and there may now be some erroneous charges that will be reversed.

B. Year-to-Date Reserve Profit and Loss as of September 30, 2008

1. Total Income - \$234,750
2. Total Expense - \$281,263

There are still plans to buy some more doors, which will be the last Reserve expenditure for this year. The Reserve accounts should end the year with a about a \$10,000 increase to the account balance from that at the beginning of 2008.

Cathy Brosius made a motion to approve the Treasurer's Report. Sylvia Dowty seconded and the motion carried.

C. Buildings, Grounds and Landscaping Committee

Glenn Johnson said the pool area had been updated and it looks spectacular. The pool deck was painted, the interior cleaned, and the pool was drained and cleaned. With the new boiler, the water temperature is staying up. There are some door sills that need to be cleaned up before winter. There are a number of bicycles by the front door of the Clubhouse that could be put into a bike rack.

D. Architectural Review Committee

Cathy Brosius said she had not received any new applications. There are about five old style fences remaining that need to be removed but no deadline was ever established for removal. Dan Ulmer will send a letter reminding owners that the fences must be removed by June 1, 2009. He will provide the cost to have Basic remove the fence if they chose not to do it themselves.

Satellite dishes may not be attached to the new Trex decks. They must be on tripods.

VII. OLD BUSINESS

A. Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments

Glenn Johnson said all books were reviewed and all were in order.

B. Resolution to Set Late Fees

Bob Price reviewed the draft of his notes for the resolution. The first option includes a \$250 late payment fee for each offense, a report to credit reporting agencies and assessment of interest on any outstanding balance after thirty days.

The second option includes a graduated penalty starting with a \$50 late fee after thirty days, but no report to the credit agencies as long as the balance is paid by the next month. The second offense would incur a \$250 late fee after sixty days, plus interest and a report to the credit agencies. The third and all subsequent offenses would incur a \$500 late fee after ninety days plus interest and a report to the credit agencies. The owner would have the right to appeal, but would be required to establish a payment plan. At the Annual Meeting, the owners seemed to support the idea of a graduated plan although the first option would be simpler to administer. Cathy Brosius said she had checked into making reports to the credit agencies and found it was a fairly complicated process and there were fees involved. The Board agreed they preferred the second option with a twelve month cycle, i.e. offenses would not be cumulative from year to year. The target start date will be January 1, 2009 and owners will be notified of the resolution with the new dues notice. The final resolution will be drafted by the Association's attorney and emailed to all Board members for approval.

C. *ATV*

Julian Brodie said he put down a \$500 deposit on the ATV. The total cost will be \$9,462.

D. *Management Contract Committee*

The Contract Committee and Basic Property Management drafted a new contract. They are having discussions about new wording, negotiating the fee and should be finished by the end of the month.

E. *Budget Committee Report*

Paul Hage said the Budget Committee worked out the budget for next year, with a few more small changes to come. The Committee will propose a 4% dues increase, 3% of which will support the Operating Budget and 1% as an additional contribution to the Reserve Fund. Paul Hage made a motion to accept a 4% dues increase. Sylvia Dowty seconded and the motion carried.

F. *Painting Project*

There are some issues from the building painting that still need to be resolved. Some numbers have not be reinstalled on the buildings, there are some broken light covers, there is some paint on screens, there are some areas with two different colors of paint and some areas were entirely missed. Dan Ulmer said Julian Brodie would reinstall the building numbers when he has time.

VIII. NEW BUSINESS

A. *Review of Parking Spaces*

Cathy Brosius provided a report on parking spaces. There are a total of fifteen rows of parking. Only four lots have enough spaces for all units to have two spaces. She recommended focusing on expanding the paving in lots that do not have enough spaces. The lots with the largest discrepancies are Buildings A – E,

N and O. She made note of where extra spaces could be created. Building A will be difficult to remedy. Buildings B and C have forty-one spaces each with a need of sixty. In order to expand some lots it will be necessary to cut into the hill and building a retaining wall, which will entail an engineering study. Bob Price pointed out they would need to consider the collateral effect on snowplowing and snow storage. Cathy suggested using the heavy machinery used for snow removal to dig up some areas of grass in preparation for paving. Richard Garcia felt grading should not be done before winter due to the creation of mud. The next step will be for Martin Cenicerros and Julian Brody to determine which lots should be changed from diagonal to straight-in parking to create additional spaces and to provide a recommendation to the Board. If there continue to be problems, the Board could consider creating assigned parking spaces. Cathy said Buildings V and W have several extra spaces and there could be assigned guest parking in those lots.

B. Neighborhood Watch

A Neighborhood Watch program was requested by an owner at the Annual Meeting. Richard Garcia said he needed to check into the existence of this program in Summit County and what would be required to establish such a program for the property. There would need to be one or two meetings to determine the owner level of interest. Owners would have to be involved and responsible. Owners would need to communicate with each other, not through management or the Board.

C. Motion at Annual Meeting for Additional Parking for Three Bedroom Units

Richard Garcia announced that the motion at the Annual Meeting regarding additional parking for three bedroom units failed with 64 in favor and 84 opposed, including proxies.

D. Comcast Cleanup

Negotiations are underway to have Comcast inspect all interior wiring and to make modifications as needed. Dan Ulmer said he met with Comcast and the subcontractor on Monday, October 13th to explain what they wanted done with the wiring, i.e. to have it tucked under the trim or stapled to the wall. All the mess should be cleaned up as well. Comcast will pay for the cleanup as it was their responsibility.

Martin Cenicerros said some owners have indicated they do not want their units rewired. Richard Garcia said the cable contractor needs to make sure the cable is properly terminated to a wall place and not directly connected to a customer owned device.

E. Trailer Parking

Cathy Brosius said there had been an increase of trailer parking in the lots. Dan Ulmer pointed out that trailers are not permitted to park in the lots; they need to be parked in the trailer lot. Some trailers are currently being parked overnight for

hunting, which should not be a problem as long as they are not parked for multiple days. Cathy proposed charging for long term parking spaces. The Rules specify that long term parking is for a maximum of thirty days. Martin Ceniceros suggested increasing the size of the long term parking lot. Sylvia Dowty felt this should not be done unless there is a fee for parking. Cathy said there were also some violations of the short term parking rules. Cathy was directed to develop a recommendation for the next meeting. Richard Garcia proposed charging by the space, not based on the size of the vehicle.

F. Propane Deep Fryers

Dan Ulmer said he had noticed an increase in the number of propane deep fryers. They leave grease all over the decks and he was concerned about the fire hazard. He would like to prohibit them entirely. The wording should clarify that deep fat fryers of any type are prohibited, or that the only type of equipment allowed is a gas or electric grill. A notice will be posted on all bulletin boards that deep fat fryers are prohibited.

X. SET NEXT MEETING DATE

The next regular Board Meeting will be Wednesday, November 19, 2008 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XI. ADJOURNMENT

Paul Hage made a motion to adjourn at 9:03 p.m.

Approved By: _____
Board Member Signature

Date: _____

Addendum: Treasurer's Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF SEPTEMBER 30, 2008

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	45,584.54	269,245.95	314,830.49
Other Current Assets	43,809.83	53,454.03	97,263.86
Fixed Assets (net of depreciation)	211,895.93		211,895.93
	<u>301,290.30</u>	<u>322,699.98</u>	<u>623,990.28</u>
Current Liabilities	144,158.66		144,158.66
Long Term Liabilities	203,391.92		203,391.92
Donated Capital	2.00		2.00
Retained Earnings	114,609.17	369,212.94	483,822.11
YTD Net Income	(160,871.45)	(46,512.96)	(207,384.41)
Total Liabilities & Equity	<u>301,290.30</u>	<u>322,699.98</u>	<u>623,990.28</u>

Operating Fund P&L

	Actual	Budget	Diff
September Total Income	119,604.55	119,722.36	-117.81
September total Expenses	140,301.90	102,444.32	37,857.58
September Net Income	<u>-20,697.35</u>	<u>17,278.04</u>	<u>-37,975.39</u>
YTD Total Income	1,083,590.30	1,077,501.04	6,089.26
YTD total Expenses	1,244,461.75	1,246,458.17	-1,996.42
YTD Net Income	<u>-160,871.45</u>	<u>-168,957.13</u>	<u>8,085.68</u>

Basic building maintenance - under budget by 4,577.46
 Boiler repairs - under budget by \$4,270.72
 Damage claims - over budget by \$25,630.88
 Painting under budget by \$27,240
 Bldg G Fire - under budget by \$12,468.85
 Gas - over budget by \$49,176.68
 Parking lot repair - under budget by \$10,000 because not done
 Summer Grounds Maintenance - over budget by \$6,544.72
 Legal fees - over budget by \$3,421.87
 Snow Removal - over budget by \$4,964.89
 Truck/ATV - over budget by \$2,336.56

Notes from the Prez

November 2008

Greetings

Painting, Panels, and Balconies – Our building painting for this year along with replacement of several wall panels and rebuilding of several balconies is complete. Next summer we plan to paint 8 more buildings and repair their damaged wall panels and balconies. We have not designated which buildings will be painted. Because of harsh climate conditions at our altitude, paint life is only about a third of what is advertised. That is why we need to paint buildings more often than buildings at sea level.

Thermostat Settings – Please do not lower your thermostat below 60 degrees Fahrenheit. We do not want to risk having water pipes freeze.

Satellite Dishes – Please remember that satellite dishes must be mounted on a metal tripod. Satellite dishes mounted on balcony rails will be removed by Property Management and the owner will be fined \$25 along with cost to repair or replace the balcony rail.

Neighborhood Watch Program – Several attendees at the Annual Meeting requested information about setting up a Neighborhood Watch Program in Dillon Valley East to curb developing problems. I will attempt to have a meeting during November for all who would like to participate. A Watch Captain would need to be established for sections of the complex who would take responsibility for communicating to residents in their vicinity. Neighborhood Watch is not a Big Brother or a law enforcement program. It is a community program where neighbors communicate with neighbors and a law enforcement agency.

Late Fees to Increase – The Board of Managers is drafting a Resolution to increase late fees for dues, assessments, and fines. We hope to have the process in place by January 1st. An amendment to the By-Laws was approved during the Annual Meeting.

Dues Increase – Our monthly assessment (dues) will increase 4%. Your Board of Managers had long Budget meetings and looked at possible ways to control the expenditures for maintaining the complex. Considering the increase in cost of living, cost of suppliers, utilities, and gasoline, the Board did a pretty good job. It's easy to say "I see nothing for my dues". But one needs to be on the inside looking at all it takes to keep our community in good shape and deliver basic utilities to understand why our dues keep increasing.

Thank you,
Richard Garcia
President
Dillon Valley East Condominium association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
November 19, 2008
Dillon, Colorado**

I. CALL TO ORDER

The meeting was called to order at 7:05 p.m. by Richard Garcia.

Board members present were Richard Garcia, Cathy Brosius, Bob Price, Mike Kurth, Glenn Johnson and Paul Hage.

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

II. APPROVAL OF PREVIOUS MEETING MINUTES

Cathy Brosius made a motion to approve the October 15, 2008 Board Meeting minutes as presented. Paul Hage seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

There were no questions or comments from the floor or from the comment box. Richard Garcia said he received an email from Doug Knispel (N302) complimenting the staff and Board.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

Richard Garcia asked management to bill Unit U101 for extra trash collection of a couch. He witnessed the dumping personally.

V. RESIDENT MANAGER'S REPORT

A. Completed Projects

Julian Brodie provided a written report of projects over the past month.

Julian Brodie provided a report comparing the actual costs for projects completed versus the costs that would have been incurred using outside contractors.

B. Delinquency Report

Lanelle Barnett reviewed the Delinquency Report as of October 31, 2008.

1. Kuzminova A206 - \$10,125. The owner has agreed to pay \$3,000 on Friday, \$3,000 in two weeks and to pay off the remainder in January.
2. Haws B101 - \$6,617. A court date has been set for the sale.
3. Giamanco R204 - \$3,536. In foreclosure.
4. Korshunov BB104 - \$3,317. Sent to the attorney.

5. Garner W201 - \$2,231. Sent to the attorney.
6. Hubbell R105 - \$1,717. The owner is making payments.
7. Ortiz/Cazares D103 - \$1,593. The owner is making payments.
8. Warner V101 - \$1,166. The owner has agreed to pay off the balance by the end of November.
9. Salina/Sanchez G106 - \$1,048. The owner was completely paid up but then stopped paying. Sent to the attorney again.
10. Roll G203 - \$854. Paid in full in November.

As of October 31, 2008 the total delinquent balance was \$46,901 but some owners have paid in November.

VI. TREASURER'S REPORT

Lanelle Barnett reviewed the financial status as of October 31, 2008.

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

1. Total Income - \$1,199,973 actual vs. \$1,197,223 budget (0.2% over budget).
2. Total Expenses - \$1,444,562 actual vs. \$1,381,704 budget (4.4% over budget).
3. Net Income – (\$244,589) actual vs. (\$184,481) budget.

The main driver of the overage is natural gas, which was \$59,852 over budget. Paul Hage projected that the Association will end the year about \$100,000 over budget. The Board discussed ways to address this deficit, including cutting expenses in next year's budget. Bob Price was very upset that costs had not been more carefully managed and recommended an immediate spending freeze. He also stated that he would be opposed to granting of any bonuses, given the financial status.

Dan Ulmer said he was still researching the gas consumption during the period of time when a gas meter failed. Paul Hage said the billing estimate should be based on the daily temperatures and pattern of use. Dan said he would continue to work on this issue and provide some hard numbers. He met with a natural gas expert yesterday. The Board agreed they should talk to the PUC, file a complaint and have a PUC representative arbitrate for DVE with Wasatch.

B. Review Reserve Fund Status

Reserve income for the month of October was \$25,826 and expenses were \$15,676 resulting in net income of \$10,150.

Year-to-date Reserve income was \$260,576 and expenses were \$307,769 resulting in net income of -\$47,193. Income for the remainder of the calendar year will be approximately \$50,000. Outstanding expenses include \$33,000 for doors and \$10,000 for the ATV, leaving a year end balance of about -\$40,000, excluding the boiler that was just replaced.

There were a number of unbudgeted Reserve expenses and projects that came in significantly over budget, including concrete repair, remodeling the apartment, siding replacement and asphalt.

Bob Price said the projects should not have been approved if they were unbudgeted. Cathy Brosius suggested readjusting the budget, but pointed out that there was an 8% dues increase last year and a 4% increase this year. She suggested meeting in January to address this issue after the year-end results have been finalized.

Richard Garcia said the 2009 Budget must be sent to the owners. Bob Price was concerned about sending the owners a budget if the Board knew it would have to be changed.

Dan Ulmer pointed out that certain replacement items and parts such as heat exchangers and boiler parts have to be kept in stock. Management was instructed to inform Paul Hage of any unbudgeted expenses over \$1,000. The Board agreed to hold a meeting in January to review the year-end status and 2009 Budget instead of a regular Board meeting.

Glenn Johnson made a motion to approve the Treasurer's Report. Mike Kurth seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said the property is ready for winter. All summer equipment has been put away. Paul Hage asked about the snow melt inventory. Julian Brodie thought he had enough to last through the remainder of the year.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said there was one unit installing a washer/dryer and replacing a door. Bob Price asked about satellite dish reattachment. Richard Garcia said all new satellite dishes must have a ground wire from the dish to the boiler room per new electrical code. This will be a problem for units on the east side of the building. All dishes must be on tripods.

IX. OLD BUSINESS

A. *Review of Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments*

Glenn Johnson said all books were reviewed and all were in order.

B. Resolution to Set Late Fees

Richard Garcia said he has not been able to work on the Resolution. He hopes to get to it in the next week and will send it to the attorney for approval. He will try to have a draft back to the Board in December.

C. ATV

The ATV has been purchased and is in the shop.

D. Management Contract Committee

The new Management Contract has been approved. Richard Garcia has copies for any interested Board members. He will send an electronic copy to all Board members.

E. Budget Committee Report

The Committee did not have any new business to discuss.

F. Review of Parking Spaces

Martin Ceniceros believes he can create six more spaces for the three buildings below the Clubhouse by extending the lot on the north end, but he pointed out there would be a cost involved. The buildings above the Clubhouse do not have any space for expansion. Dan Ulmer said he would like to address the problem through the permit side instead of adding more asphalt. He said there are too many people in many of the units and a plan needs to be developed to resolve this problem. Dan will work on a plan with Cathy Brosius and Glenn Johnson. Next year's budget includes \$30,000 for paving.

G. Neighborhood Watch

Richard Garcia said he discovered there was no Neighborhood Watch program in Summit County. Paul Hage said attempts were made to start this type of program in the past but there was no owner interest.

H. Comcast

Dan Ulmer said there had been a communication problem between Comcast and the cable contractor. The cable contractor has pulled out of doing the rewiring unless it is paid for entirely by Comcast. They are now waiting for Comcast to approve the funds to clean up the rewiring. Dan does not expect anything to happen until January.

I. Trailer Parking

Cathy Brosius compiled the suggestions for trailer parking restrictions from the comments emailed to her by the Board members. They included:

1. Limit the type of vehicles allowed.
2. Establish a maximum allowable length of stay.
3. Require that any open vehicles be covered with a green or brown tarp to improve the appearance.

4. Require that all vehicles must be licensed, insured and in moveable condition.
5. Restrict storage to owners only.
6. The monthly fee should be \$40/45/50 based on the size of the vehicle.

Julian Brodie noted that was his snow storage area and the area is also used for working on cars. Cathy Brosius will continue to work on this project and will draft language for a contract. This program probably will not be implemented until spring.

J. Deep Fat Fryers

Dan Ulmer said he is seeing more fryers and they make a big mess. He recommended prohibiting them in the Rules as a fire hazard. The only type of cooking appliance that should be permitted on the decks is a gas grill.

K. Dog Problem

Dan Ulmer said there is an increasing dog problem. Many renters have dogs, there are dogs running loose around the property and pet owners are not cleaning up after them. He did not think the fine was effective in discouraging renters from having dogs. He asked the Board to reevaluate the penalty structure, although he acknowledged that raising fines would not necessarily eliminate the problem. Cathy Brosius proposed taking a census to determine which occupants are renters or owners, and to obtain contact information. Paul Hage said the Board could get a list of owners from the county. The process for enforcing the Rules needs to be reviewed. Richard Garcia suggested putting up signs in all buildings indicating that only owners are permitted to have pets. Richard said the existing rules should be enforced and the owner of the unit should be fined.

L. Unit U202 Noise Complaint

The resident of Unit U102 complained about noise in Unit U202.

M. Building Numbering

Dan Ulmer said the old numbering was removed from some of the buildings before the painting was done. The old numbers were replaced with new numbers unless the original ones were in good enough condition to be reinstalled.

X. NEW BUSINESS

A. December Board Meeting

The Board will meet in December to review the Budget. If there are any other issues that need to be addressed, the Board can convene by teleconference.

B. 2009 Budget to be Sent to Owners

Richard Garcia will make final revisions to the letter he drafted. The dues increase is about 4%.

C. *New Coupon Books*

The new coupon books will be sent with the letter to the owners.

D. *Clubhouse Hours for the Holidays*

Richard Garcia proposed the following hours of operation for the Clubhouse on holidays: 9:00 a.m. – 4:00 p.m. on Thanksgiving Day and Christmas Eve, 12:00 p.m. – 9:00 p.m. on Christmas Day, 9:00 a.m. – 4:00 p.m. on New Year's Eve and 12:00 p.m. – 9:00 p.m. on New Years Day. Paul Hage made a motion to approve these hours. Cathy Brosius suggested establishing these hours permanently so it does not have to be discussed every year. Richard agreed to draft a Resolution. Bob Price suggested closing the facility for the entire day on Christmas and New Year's Eve. The Board agreed to close the facility on Thanksgiving and Christmas Day. The other hours will be as listed above.

E. *Owner Comments*

The owner of H203 was going to appear in front of the Board to protest a billing. Richard Garcia reviewed past emails and found the owner was billed for replacement of her thermostat and a trip charge.

Another owner was charged for three shutoff valves. Dan Ulmer said there was something strange with the plumbing in this unit. He felt it was not fair for the owner to pay for three. The cost involved is about \$150. Richard Garcia recommended that the Association pay for it.

The owner of G103 will be disputing a charge with the contractor for repair to a valve that they claim was damaged by something falling on it.

XI. SET NEXT MEETING DATE

The Board will hold a work session on Wednesday, January 21, 2009. The next regular Board Meeting will be Wednesday, February 18, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Paul Hage made a motion to adjourn at 9:00 p.m. Glenn Johnson seconded and the motion carried.

Approved By: _____

Board Member Signature

Date: _____

Addendum: Treasurer's Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF OCTOBER 31, 2008

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	44,301.16	154,797.95	199,099.11
Other Current Assets	55,231.16	166,644.76	221,875.92
Fixed Assets (net of depreciation)	211,895.93		211,895.93
	<u>311,428.25</u>	<u>321,442.71</u>	<u>632,870.96</u>
Current Liabilities	237,344.07		237,344.07
Long Term Liabilities	204,062.28		204,062.28
Donated Capital	2.00		2.00
Retained Earnings	114,609.17	368,635.30	483,244.47
YTD Net Income	(244,589.27)	(47,192.59)	(291,781.86)
Total Liabilities & Equity	<u>311,428.25</u>	<u>321,442.71</u>	<u>632,870.96</u>

Operating Fund P&L

	Actual	Budget	Diff	
October Total Income	118,566.75	119,722.36	-1,155.61	-1.0%
October Total Expenses	<u>199,719.87</u>	<u>137,746.05</u>	<u>61,973.82</u>	+31.0%
October Net Income	<u>-81,153.12</u>	<u>-18,023.69</u>	<u>-63,129.43</u>	
	Actual	Budget	Diff	
YTD Total Income	1,199,973.21	1,197,223.40	2,749.81	+0.2%
YTD total Expenses	<u>1,444,562.48</u>	<u>1,381,704.22</u>	<u>62,858.26</u>	+4.4%
YTD Net Income	<u>-244,589.27</u>	<u>-184,480.82</u>	<u>-60,108.45</u>	

Major Variances:

Damage claims is over budget by \$25,317.39. \$Approx \$12,000 of that is due to ditch water.

Exterior painting is over budget by \$10,602.39.

Recarpet and repaint hallways - under budget by \$23,000. Won't do this year.

Gas is over budget by \$59,852.30. Due to major rate increase.

Parking Lot Repair is under budget by \$10,000 because we did this out of reserves.

Summer ground/trash removal over budget by \$11,991.23.

Notes from the Prez

It's Ski and Tow Season

We towed a total of 30 vehicles during the last three snow storms. Please pay attention to the very large and hard to ignore orange signs posted at the entrance to each parking lot. If a large orange sign is posted, that means snow removal will begin the next morning. If a vehicle is not removed from the lot by 8:30 AM, it will be towed at the owner's expense. If you do not leave your unit for a day or longer, please get into the habit of taking a short walk to see if a large orange sign is posted at the entrance to your parking lot. If a towed vehicle is a commercial vehicle used by a resident, too bad. It will get towed.

Several residents expressed their displeasure at having to move their vehicles in the form of foul language and threats. I would like to extend an invitation to those who are too lazy to move their vehicles or think they are above everyone else to attend our next board meeting and express themselves there.

Because of physical threats made to employees of Basic Property Management, *courtesy calls to units with vehicles left in parking lots during snow removal will not be made.* Owners – please let your renters know the rules because we will deflect all argument from renters back to owners.

The Meadows Apartments is closing.

The Meadows, down the street from us is closing and several residents are beginning to bunk with friends in our community. This action causes a heavy burden on resources for hot water, cleaning of hallways, and monitoring illegally parked vehicles. If you believe a neighboring unit has more than 2 adults per bedroom in their unit, call the Summit County Planning Department to complain or try one of our County Commissioners. They are:

Tom Long, Chairman
970.453.3412
toml@co.summit.co.us

Bob French
970.453.3411
bobf@co.summit.co.us

Thomas Davidson
970.453.3413
thomasd@co.summit.co.us

Mail address for all is:
PO Box 68
Breckenridge, Colorado 80424

Dues Increase

By now you should be receiving your new dues coupons for 2009 with a 4% increase. We do not like raising dues, but the cost of survival in a resort community in the mountains is higher than Denver or other urban areas. In our effort to contain the increase the Board may not have foreseen the accelerated cost increase in maintenance items such as paint, natural gas, and boiler replacement.

Your Board of Managers will have another Budget work session on January 21st. Owners are welcome to listen. Participation will be limited to budget specific items only. Board members may be deciding on whether to continue with the proposed budget, change it, or plan for a mid-year increase. The meeting will begin at 6:00 PM in the Clubhouse.

Clubhouse Hours During Holidays

Christmas Eve	09:00 AM – 4:00 PM
Christmas Day	Closed
New Year's Eve	09:00 AM – 4:00 PM
New Year's Day	12:00 PM – 9:00 PM

Thanks,

Richard Garcia
President
Dillon Valley East Condominium Association