

Dillon Valley East Condominium Association Budget Committee Meeting

**January 21, 2009
Dillon, Colorado**

A Budget Committee meeting was held on Wednesday, January 21, 2009 at DVE Clubhouse. President Garcia called the meeting together at 6:30 PM.

DVE Board Members present:

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

Basic Property Mgmt:

Dan Ulmer
Lanelle Barnett
Gary Nicholds
Candy Ramage

Owner: Jeff Schramm

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

Conduct of meeting:

Examination of budget:

2008 shortfall
2009 capital expense

Choices:

Increase dues substantially
Special assessment
Loan

Adjournment:

Meeting adjourned at 8:15 PM

Submitted by: Cathy Brosius, Secretary
January 21, 2009

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
February 18, 2009
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, Cathy Brosius, Mike Kurth, Sylvia Dowty, Glenn Johnson and Paul Hage.

Owners present were Doug Hermanson (D102), Randy Stoll (W102), Lee Vroble (X302), Carl Henry (U202) and Don and Laurel Gardey (Z202).

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 November 19, 2008 Board Meeting minutes as presented. Mike Kurth seconded and the motion carried.

Mike Kurth made a motion to approve the January Budget Meeting minutes as presented. Sylvia Dowty seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Doug Hermanson said there were pipe leaks under his stained concrete floor. A portion of the concrete floor had to be chiseled to have repairs made. He feels it should have been an Association expense. He obtained an estimate of \$5,000 to replace the stained concrete. He decided to replace the concrete with tile at a cost of \$2,200 (\$600 for the tile and \$1,600 for labor). The Board previously offered him \$1,000. Richard Garcia explained that the damaged area was 4' x 4' and the Board felt \$1,000 was adequate reimbursement for replacement of that area. Julian Brodie said the leak was due to a failure of an elbow in the heat line. Dan Ulmer said he met with the owner several times. Sylvia Dowty felt the Association should consider reimbursement of the full \$2,200 but should set policies and guidelines for any future occurrence. Dan pointed out that an insurance company would have only paid to bring the floor back to its original condition, i.e. linoleum and carpet, not tile or concrete. Richard Garcia noted that the insurance company only paid the amount to bring the units damaged by fire in Building G back to their original construction state. Paul Hage thought the individual owner insurance policy should cover upgrades.

Sylvia Dowty made a motion to have Doug Hermanson continue discussions with his insurance company and to attempt to file a claim and to have the Association cover his

\$500 deductible and \$1,000 for the floor replacement. Paul Hage seconded and the motion carried. Richard Garcia requested copies of all related paperwork from the owner before payment is made.

Randy Stoll said the ground floor units had ceiling leaks from hot water heaters. The Board said hot water heater replacement would be discussed tonight. Pinhole leaks are developing in much of the original copper piping. The first floor unit ceilings will have to be opened in order to replace the pipes.

Lee Vroble said he had received a notice on his door about pest control in his unit. He has not received any notices in past months about anyone coming into his unit. He requested that the Board establish a procedure when units are accessed, i.e. to have notice left on the kitchen counter indicating the date, time, reason for entry into the unit and findings. Richard Garcia agreed there should be protocols and said it would be addressed.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. RESIDENT MANAGER'S REPORT

A. Completed Projects

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

1. Addressed multiple leaks all around the complex.
2. Repaired a number of heat problems. Some problems were related to zone valves that were not replaced.
3. O Building is still operating with a patch because it is too cold to replace the boiler right now.
4. Replaced circulation pump in Building U.
5. Jetted sewer line in H103.
6. Replaced two water lines in Clubhouse.
7. Replaced swimming pool pump.
8. Ongoing ice and snow removal.
9. Towed twenty cars during the process of snow removal so far this season.

B. Delinquency Report

Lanelle Barnett reviewed the Delinquency Report as of January 31, 2009.

1. Garner W201 - \$7,996. Suit has been filed and the unit will probably go to sale.
2. Haws B101 - \$7,906. Started foreclosure. Owner is paying \$1,100/month.
3. Giamanco R204 - \$5,135. Foreclosure has been started.
4. Korshunov BB104 - \$2,600. Foreclosure has been started.
5. Ortiz/Cazares D103 - \$1,815. Making payments.
6. Hubbell R105 - \$1,241. Sent to attorney.
7. Sovizdranyuk C302 - \$997.

8. Rascon A303 - \$733. Paid in full in January.
9. Rigger G203 - \$641. Paid in full in January.
10. Jocelyn (U101) – 599.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of January 31, 2009.

A. Year-to-Date Profit and Loss as of January 31, 2009

1. Total Income - \$136,947 actual vs. \$137,436 (00.4 % under budget).
2. Total Expenses - \$175,297 actual vs. \$175,057 budget (0.1% over budget).
Gas and Snow Plowing were over budget.

B. Review Reserve Fund Status

Reserve income for the month of January was \$14,909 and there were no expenses.

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

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson asked about the furniture in the Clubhouse room. Dan Ulmer said some furniture in poor condition was removed.

Glenn said the building interior was not decorated during Christmas as it was in the past. Julian Brodie said he did not communicate this need with his staff. Lights were hung outside.

Glenn asked permission to erect some 10' tall totem poles by the building sign. Richard Garcia said the Board would need to see them before approving.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said there had not been any activity.

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. He noticed that hallway vacuuming was blank for 2/14 and 2/15. Julian Brodie said the staff was chipping ice and did not get to the halls on those days.

B. Resolution to Set Late Fees

Richard Garcia said the Resolution was still a work in progress. He will try to get it to the attorney next week.

C. Trailer Parking

This issue will be addressed after the snow melts.

D. Deep Fat Fryers

Dan Ulmer recommended adding a prohibition on deep fat fryers on decks in the Rules and Regulations because they present a hazard. Cathy Brosius will address this issue.

X. NEW BUSINESS

A. Crime Free Lease

According to the Sheriff, the crime rate has not increased but there are some problems with tenants (i.e. guns and graffiti) at Dillon Valley East. A Crime Free Lease/Rental Addendum has been developed and reviewed by the Board. It will be sent to all owners who rent long term (over thirty days).

Glenn Johnson made a motion to adopt the Crime Free Lease/Rental Addendum. Sylvia Dowty seconded. In discussion, Paul Hage commented that he struggled with the registered sex offender language. Sylvia pointed out that it should not be an issue as long as the tenant does not get into trouble. He asked how the Board would know who is renting long term. Dan Ulmer said the lease would be sent to all owners. The motion carried.

B. Release and Waiver of Liability

Richard Garcia created a release that must be signed by any owners who perform work for the Association. Sylvia Dowty made a motion to adopt the Release and Waiver of Liability. Paul Hage seconded and the motion carried.

C. Parking Permits

Parking permits are available at the Clubhouse and online on the website.

D. Recycling

There was information in the Summit Daily News recently about a pilot program being offered by the Summit Recycling Center. They are looking for properties to participate. Cathy Brosius filled out the survey and submitted it on behalf of the Association.

E. Budget

The aging of the infrastructure (parking lots, boilers, building siding, painting, balconies, domestic water system and main entry doors) calls for immediate action. Lanelle Barnett led a discussion about the costs. The hot water feeds in all first floor units must be replaced as soon as possible. There are currently thirteen units with multiple leaks that are temporarily patched.

The total estimated cost for repairs is \$1,463,294. The cost can be covered by a Special Assessment, a dues increase or a bank loan. The Board agreed the most

economical process would be through a loan. Alpine Bank is offering a favorable loan over JP Morgan Chase Bank. A motion was made by Sylvia Dowty to have Basic Property Management look further into a loan with Alpine Bank of Dillon, Colorado for the amount of \$1,500,000. Mike Kurth seconded and the motion carried.

The owners will be asked to vote on the preferred method of payment by the association for the infrastructure repairs by a mail-in vote. The options for the association will be a Special Assessment, a dues increase, or a loan. If a special assessment is agreed upon, a payment plan will not be offered to owners.

XI. SET NEXT MEETING DATE

The next Board Meeting will be Wednesday, March 18, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Paul Hage made a motion to adjourn at 9:45 p.m. Glenn Johnson seconded and the motion carried.

Approved By: _____

Board Member Signature

Date: _____

Notes from the Prez

Greetings

During our next Board meeting on March 18th, your Board of Managers will decide on the amount of a loan to obtain and which financial institution to use. Owners will have final vote on how to proceed to repair or replace much of the infrastructure in our complex. The vote will be sent by Registered Mail. Owners who do not respond will be counted as agreeing with the Board's recommendation. Colorado law allows this action.

Choices will be:

- Immediate dues increase to fund the cost.
- Immediate Special Assessment to each owner
- Loan from a financial institution with a slight dues increase.

After our meeting I will have numbers to plug into the above choices.

Every 1st floor level unit must have the domestic hot water feed pipe replaced. This entails removal of a strip of ceiling from one end of the unit to the other and replacement of piping.

All balcony fences on the 2nd and third floors that have not been replaced need to be replaced for safety and to bring the complex up to date.

All boilers that have not been replaced must be replaced. Original boilers have exceeded their life expectancy. Some are now failing and thanks to Julian Brodie, our Resident Manager and Albert Amerin, failing boilers have been resuscitated to provide service for a few more months.

We would also like to replace the remainder of the entry doors to the buildings. This project has been an on and off item due to budget and timing. It costs about \$5,000 to replace just one door. Now before you go off and say "I can do it cheaper and better", we have gotten quotes and that is what it costs.

We have major projects ahead. Owners and residents are welcome to be part of the process. If you are good at project management, plumbing & heating, painting, carpentry, asphalt maintenance and willing to 'Volunteer' your time, please contact Basic Property Management. Be warned, each of these projects will consume much of your free time.

Richard Garcia
President
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
March 18, 2009
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, Cathy Brosius, Glenn Johnson and Paul Hage. Sylvia Dowty joined the meeting in progress at 7:50 p.m.

Owners present were Carl Henry (U202), Don and Laurel Gardey (Z202), Tom and Monika Nickerson (R303), Victor Lee (Z203) and Jeff Schramm (I205).

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

II. APPROVAL OF PREVIOUS MEETING MINUTES

Paul Hage made a motion to approve the February 18, 2009 Board Meeting minutes as presented. Cathy Brosius seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Carl Henry commented that the price of natural gas was down but the account was over budget. Paul Hage explained that the price was locked previously at a slightly higher rate when the costs were escalating.

Richard Garcia received a compliment for Basic Property Management's repair work on A203.

IV. FINES AND HEARINGS

Richard Garcia reviewed fines issued and owner correspondence:

1. A303 received a warning regarding multiple vehicles parked in the lot.
2. A letter of demand was sent to O301 for late fees.
3. The owner of E301 had a cast iron stove on the deck last summer during the rebuilding of the upstairs patio fence. The stove was moved by the contractor and the owner was charged \$50 since he received prior notice to move all items but did not. The owner asked the contractors to move the stove back; they did so and the owner was charged a second \$50. The owner claimed he should not have to pay because his door was blocked by the stove after the first move and the stove was too heavy for him to move alone. The contractor claimed the door was not blocked. The owner waited since October 2008 to make the request. Paul Hage made a motion not to reimburse the owner for the stove moving charges. Cathy Brosius seconded and the motion carried.

4. The car belonging to the resident in E206 was towed and the owner had to pay \$170 to get it out of storage. The vehicle was parked in the spot for E106 and the owner admitted he was incorrectly parked. Prior to towing, the owner of E106 knocked on the door and rang the doorbell of Unit E206 in an attempt to contact the resident but no one answered. Dan Ulmer also tried to contact the resident but there was no response so the vehicle was towed. The resident said he did not hear the doorbell or knocking and requested reimbursement for the towing and storage. Glenn Johnson made a motion not to reimburse the \$170. Paul Hage seconded and the motion carried with Cathy Brosius abstaining.

V. RESIDENT MANAGER'S REPORT

A. *Completed Projects*

Julian Brodie reviewed the projects completed over the past month.

1. Purchased fifteen door closers for new doors that were installed without them. The contractor indicated the closers were not included in the contract.
2. Replaced lights in hallways.
3. Dealt with leaks in V104, F102, AA101, W103, I102, and F104.
4. Tuned up landscaping equipment in preparation for summer.
5. Repaired railings for Q205 and U203.
6. Towed six cars during snow removal.
7. Issued twelve warnings to units for common area cleanup.
8. Replaced parking lot fixture that was burned out.
9. The swimming pool is closed indefinitely due to a leak.
10. Took the old ATV to the maintenance shop.
11. Ordered new larger motor for plow hoist for the new ATV. The original motor burned out.

B. *Delinquency Report*

Gary Nicholds reviewed the Delinquency Report as of February 28, 2009.

1. Garner W201 - \$8,610. In foreclosure.
2. Haws B101 - \$7,399. Owner paying \$1,100/month.
3. Giamanco R204 - \$5,602. Has just set up a payment plan. Richard Garcia noted that this owner has been delinquent off and on for six years.
4. Ortiz/Cazares D103 - \$2,251. Sending back to attorney.
5. Korshunov BB104 - \$2,025. On payment plan.
6. Hubbell R105 - \$1,589. Making payments.
7. Sovizdranyuk C302 - \$1,418. At attorney.
8. Drabek (B201) - \$1,082. Making payments.
9. Ryon (G306) - \$1,057. The owner has been given a deadline of April 20th to get caught up.
10. Kuzminova (A206) - \$789. Making payments.

As of February 28, 2009 the total delinquent balance was \$40,443.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of February 28, 2009.

A. Year-to-Date Profit and Loss as of February 28, 2009

1. Total Income - \$273,103 actual vs. \$273,672 budget (0.2% under budget).
2. Total Expenses - \$310,686 actual vs. \$303,701 budget (2.3% over budget).
3. Net Income – (\$37,584) actual vs. (\$30,030) budget.

Building Maintenance was \$2,893 under budget. Expenses for basic maintenance were over budget, mainly due to pest control. Boiler and damage claim expenses were under budget. Natural Gas continues to be the major cost overrun. Snow Removal was also over budget. Cable TV was under budget along with Director Expenses, Winter Grounds Maintenance and Truck/ATV Expenses. Water and Sewer were over budget due to a rate increase.

B. Review Reserve Fund Status

Reserve income for the month of February was \$14,947 and expenses were \$15,060 resulting in net income of -\$113. The year-to-date balance was \$14,968.

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

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said the staff was keeping up well with snow removal.

VIII. ARCHITECTURAL REVIEW COMMITTEE

There is a one bedroom unit for sale (MLS #S365931) in which the owner divided the living space and made an extra bedroom. The owner did not apply for approval and the Board did not receive any building permits. Gary Nicholds was asked to investigate placing a lien on the unit to stop any future sale.

Sylvia Dowty said she tried to contact the Building Department to get guidelines for doing this but she did not receive a call back. Within the Association, this division of the unit would require approval because it is adding something to the unit and doubling the intended use. There is no window for the second bedroom, so per fire code it cannot be considered a legal bedroom. The unit is not yet under contract. Dan Ulmer has spoken to the owner. Sylvia recommended notifying the listing broker of the issues, i.e. that the bedroom is non-confirming and does not meet fire code. Richard Garcia will draft a letter to the owner.

IX. OLD BUSINESS

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

Glenn Johnson said he would review them in the morning.

B. Resolution to Set Late Fees

Richard Garcia said this document was still a work in progress. He has a draft ready to go to the attorney for comments. He will then distribute it to the Board.

C. Budget Committee Report

This item has been completed.

D. Loan for Infrastructure Repair/Replacement

Gary Nicholds said he had been working on a \$1.5 million loan for the Association. He checked with several banks and found that Alpine Bank had the most favorable rates. He provided a list of the information needed. One of the required items is the estimated mortgage against each unit. Gary will ask the bank the best way to calculate this. The application should be completed as soon as possible so the work can begin this spring or summer. The term will be 10 – 15 years at approximately 6.75% but this could change based on the rate at the date of lock.

Richard Garcia explained there were a number of significant projects that needed to be addressed. The options for financing would be:

1. A loan, resulting in a \$10 – 20/month dues increase;
2. A lump sum assessment on each owner ranging from \$2000 to \$5000 or more;
3. Increase dues by approximately \$50/month to cover the expenses.

The Board wants to put this issue to an owner vote.

Victor Lee commented that the dues increase option did not include the 4 – 6% regular annual increase; this should be made clear to the owners prior to the vote. Paul Hage said he would run some scenarios going out several years to determine how much of a dues increase would be needed. A letter will be sent to the owners by May 1st explaining the situation and asking the owners to vote for the option they prefer. If there is no response, the owner will be deemed to abstain and the vote for that unit will go with the Board. If there is no clear majority, the Board will make the decision. Owners with delinquent dues will not be eligible to vote. The Board will make a recommendation for the preferred option.

E. Recycling Program Update

Cathy Brosius said she would not know anything further about this program until late April.

X. NEW BUSINESS

A. Rules and Regulations Prohibiting Criminal Activity

Richard Garcia explained that this Rule was previously known as the “Crime Free Lease Addendum”. The Board decided to make it a Rule instead of leaving it up to the individual owners to distribute the addendum to their tenants. By making it

a Rule, it becomes mandatory. The wording is basically still the same. Richard said there was not a lot of crime in Dillon Valley East but there are people who commit crimes living in the complex. The Rules state that if a renter is caught by the Sheriff anywhere in the county selling drugs or involved in prostitution or child pornography, the renter is subject to immediate eviction. This action is legal per Colorado law. The Board will review the Rule and approve it via email.

B. Fidelity Insurance

Some mortgage companies have requested that the Association raise the fidelity insurance limit in order to facilitate financing of units. Sylvia Dowty said FNMA guidelines have changed dramatically over the past six months. Everyone is looking for more insurance. The mortgage companies want the Associations to carry a certain level of insurance so the purchaser is well covered should something happen. The limits they are requesting are not unreasonable given the value of the entire complex. Sylvia anticipates the Association will not have a choice. The insurance must come from the Association, not from the individual owners, but there could be a fee to the owners who sell to recoup the expense.

Paul Hage made a motion to authorize Basic Property Management to pursue the appropriate amount of fidelity insurance on behalf of the Association at the Association's expense, at a cost not to exceed \$1,000 to meet current FNMA lending guidelines. Glenn Johnson seconded. In discussion, Richard Garcia stated that he felt this should be covered by the mortgage company. Sylvia noted that the majority of buyers of Dillon Valley East units go through FNMA because they are first time buyers with small down payments. The motion carried with Richard Garcia opposed.

C. Equipment Inventory

Glenn Johnson said a few months ago the Board had discussed doing an inventory to track Association owned items. He requested permission to do an inventory of the Association tools and equipment. The Board authorized this action.

D. Parking Lots

Carl Henry said there were some children playing in the parking lots and it was dangerous. Richard Garcia said the office staff would speak to the parents.

XI. SET NEXT MEETING DATE

The next Board Meeting will be Wednesday, April 15, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Sylvia Dowty made a motion to adjourn at 8:25 p.m. Glenn Johnson seconded and the motion carried.

Approved By: _____

Board Member Signature

Date: _____

Addendum - Treasurers Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF FEBRUARY 28, 2009

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	9,638.71	159,546.38	169,185.09
Other Current Assets	57,442.75	172,638.28	230,081.03
Fixed Assets (net of depreciation)	211,895.93		211,895.93
	<u>278,977.39</u>	<u>332,184.66</u>	<u>611,162.05</u>
Current Liabilities	228,130.95		228,130.95
Long Term Liabilities	202,139.72		202,139.72
Donated Capital	2.00		2.00
Retained Earnings	-113,711.60	317,217.04	203,505.44
YTD Net Income	-37,583.68	14,967.62	-22,616.06
Total Liabilities & Equity	<u>278,977.39</u>	<u>332,184.66</u>	<u>611,162.05</u>

Operating Fund P&L

	Actual	Budget	Diff
February Total Income	136,128.05	135,935.93	192.12
February Total Expenses	133,320.18	127,539.49	5,780.69
February Net Income	<u>2,807.87</u>	<u>8,396.44</u>	<u>-5,588.57</u>
YTD Total Income	273,102.70	273,671.86	-569.16
YTD Total Expenses	310,686.38	303,701.48	6,984.90
YTD Net Income	<u>-37,583.68</u>	<u>-30,029.62</u>	<u>-7,554.06</u>

Year-to-date:

Building Maintenance is \$2,893 under budget. Expenses for basic maintenance is over budget, but more than offset by boiler and damage claim expenses being under.

Natural gas expense continues to be the major cost overrun and snow removal is also well over budget. Helping to offset that, Cable TV expenses are under budget, as are director expenses, winter grounds maintenance and truck/ATV expenses.

Due to the rate increase at the first of the year, water and sewer expenses are over budget.

Notes from the Prez

Greetings

If you receive our meeting minutes through regular postage, you are receiving two sets of minutes, January and February, because I failed to get the minutes to the press.

Hot Water Pipe Replacement – We will be starting to replace the main hot water pipes in each building. In the first floor units of the buildings where we will be working, access holes will be cut into the ceilings. Notices will be placed on or under doors of each unit in the building being worked on before we begin work. All maintenance and restoration will be covered by the Homeowners Association. Hot and cold water for the buildings being worked on will be turned off during the hours of 8:30 AM and 4:00 PM for at least 4 consecutive days. More information will be provided to residents as the dates of pipe replacement approaches for each building.

Grease in Drains – We are experiencing sewer clogs due to grease being poured into drains. This costs the association several thousand dollars for each occurrence. Please pour grease into a container and dispose of it with the trash.

Snow Melt and Dog Droppings – We are entering the spring thaw and accumulated dog droppings are appearing. Please watch your step when outside and be aware of where your children are playing. There are a few dog owners who think they have a right to be lazy and not pick up after their dog. Our staff is unable to be out during early morning or late at night to catch those who violate the rules. If you witness an owner not picking up after their dog and know which unit they are in, please let the clubhouse know so we may take action.

Loan in Progress – We are in final stage of acquiring a \$1.5 million loan to repair our deteriorating infrastructure. Hot water pipes in lower level units must be replaced, all boilers must be replaced, siding on several buildings must be replaced, several buildings need to be painted, balcony side panels with the diamond cut must be replaced, and some floors on balconies of the 2nd and 3rd levels need to be replaced. Owners will be allowed to vote to accept a loan or how to finance the repair.

The options owners will have are:

- Reject the loan and accept a onetime lump sum assessment ranging from \$2000 to \$5000 with no payment plan.
- Reject the loan and increase the dues immediately by a minimum of \$50 per month with another larger dues increase within a year added to a dues increase to keep pace with inflation.
- Accept the loan and increase dues from \$10 to \$20 per month and a minimal dues increase next year to keep pace with inflation.

Children in Parking Lots and on Boiler Rooms – Please do not allow children to play in the parking lots or on top of the boiler rooms. This activity is very dangerous. Please make use of the playground facility at the clubhouse or at a public park.

Thank you

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

**April 15, 2009
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, Cathy Brosius, Glenn Johnson, Mike Kurth and Sylvia Dowty.

Owners present were John Yetzler (D203), Lee Vroble (X302) and Carl Henry (U202).

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

II. APPROVAL OF PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the March 18, 2009 Board Meeting minutes as presented. Mike Kurth seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Richard Garcia has been receiving comments and questions about the loan and he has been fielding them.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. RESIDENT MANAGER'S REPORT

A. Ongoing Projects

Dan Ulmer reviewed the ongoing projects:

1. The staff has started replacing the hot water lines in F Building. The copper pipe is being replaced with a new type of hard plastic pipe for water lines. The water pipes are only being replaced on the lower levels of the buildings. The total cost for this project is projected to be about \$141,000.
2. The staff has been working hard to try to keep up with chopping ice and knocking down icicles.
3. There was a large water leak into Q103, which was just remodeled.
4. The sewer backed up in E Building and damaged units. The line was snaked and viewed with a camera. The block appears to be near the junction with the main sewer. The Metro District will be replacing some of the main sewer line this summer. Richard Garcia authorized the hiring

of a contractor to inspect the sewer lines with a camera and adding a cleanout for E Building so it can be jetted on a regular basis.

B. Delinquency Report

No report was presented. It will be emailed to the Board.

VI. TREASURER'S REPORT

Mike Kurth reviewed the financial status as of March 31, 2009.

A. Year-to-Date Profit and Loss as of March 31, 2009

1. Total Income - \$409,005 actual vs. \$409,633 budget (0.2% under budget).
2. Total Expenses - \$429,697 actual vs. \$424,610 budget (1.2% over budget).
3. Net Income – (\$20,683) actual vs. (\$14,977) budget.

Glenn Johnson made a motion to approve the Treasurer's Report as presented. Sylvia Dowty seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said the staff was getting the equipment ready for spring. They located the pool leak, repaired it and repainted the pool deck.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said there was no report.

IX. OLD BUSINESS

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

Glenn Johnson said he reviewed them and they were up to date.

B. Resolution to Set Late Fees

Richard Garcia said this document was still a work in progress.

C. Loan for Infrastructure Repair/Replacement

Dan Ulmer said he had created a list of repairs necessary to protect the units and to maintain values.

1. Replace all boilers (27 of them). Some have been replaced in the past six months. They are 35 years old and failing and parts are no longer available.
2. Replace hot and cold water piping in lower level units.
3. Replace balconies and balcony floors.
4. Replace and paint siding on A, B, C, X, Y, Z and BB Buildings. The remaining buildings will be completed next year with the loan funds.
5. Overlay asphalt

It is hoped that all projects can be completed for no more than \$1.5 million.

These projects will enable the Association to reduce future costs and keep dues down. Much of the work is being done by in-house staff at a considerable cost savings.

The loan will be on an 18 month draw period with interest only being paid on the amount drawn.

D. 2009 Revised Budget

Lanelle Barnett reviewed the changes to the draft budget. It now includes \$5,230/month for an old Xcel gas billing. The goal was not avoid a dues increase so she reallocated the dues between Operating and Reserve to achieve a zero based budget and no dues increase. The Reserve contribution will be \$4,400/month but there will not be any expenses out of the Reserve as the projects will be funded with the loan. The 2009 year-end Reserve balance is projected to be \$350,000 – 400,000.

The budget also includes a recoup of the loss from 2008 and paying it back to the Reserve account.

Mike Kurth asked about the line item for dues from Reserve to Operating. Lanelle explained it was the amount allocated from the Reserve to cover Operating expenses without a dues increase, \$124,346 total for the year.

Sylvia Dowty made a motion to approve the 2009 Revised Budget as presented. Cathy Brosius seconded and the motion carried.

E. Letter and Ballot for Financing of Major Projects to Owners

A letter with ballot will be sent to all owners with “Delivery Confirmation” by the post office.

On the ballot, Cathy Brosius noted the figures for the Loan should be adjusted.

Gary Nicholds and Candy Ramage will make adjustments and Richard Garcia will call all Board members in the morning to get any additional requested changes.

Cathy Brosius made a motion to approve the letter and ballot contingent upon changes made in the morning. Glenn Johnson seconded and the motion carried.

F. Owner Questions

Richard Garcia reviewed questions he had received from owners:

1. Why is this coming up all of a sudden and why no prior notification?
Answer: Items have been in the minutes in previous years. The Board took a conservative approach and waiting for an opportunity to take care of needed items or interest rates to go down but neither occurred.

2. If there is a loan, is my condo collateral? Answer: No, only the dues are collateral.
3. Will owners be able to do a payment plan for an assessment? Answer: No.
4. Will dues continue to increase? Answer: Yes, the dues collected only sustain the property. As price of utilities, water, natural gas, and day to day operations increase, so must the dues. The Board will attempt to limit the normal increase to the cost of living increase. The normal annual dues increase will on top of an increase for the loan. There will not be a dues increase for the remainder of year 2009 due to the revised budget.

Lee Vroble asked if owners or the Association could claim a portion of the improvements as a tax deduction. Dan Ulmer will follow up with the Department of Energy.

G. Natural Gas

Richard Garcia said the Board had been unsuccessful at communicating with the gas supplier, Wasatch, so they are looking for other suppliers in an attempt to lower the monthly rates. The contract is up in June and they will negotiate another contract with another lock. The new boilers have resulted in a 25 – 30% savings in gas consumption.

X. NEW BUSINESS

A. One Bedroom Unit Converted to Two Bedroom

An owner converted her unit from a one bedroom to a two bedroom without Board approval. The unit is for sale. The Board decided to fine the owner so it will show up at closing. The new owner will be told the wall has to be removed immediately. Dan Ulmer said the owner has been very cooperative and has removed all but the last three feet of the wall.

B. Sewer Water Damage to E106

The owner was authorized to repair the unit and replace the carpet using a fair market value. Seepage into the concrete also had to be treated. Management was authorized to take necessary steps to place a camera in the sewer pipes to locate the blockage and to install sewer clean outs on the exterior of the building to prevent further damage.

C. Water Leak in Q103

Dan Ulmer said he filed an insurance claim for Q103 (\$27,000) to fix the unit damaged by the water leak. He did not recommend filing a claim on the E Building sewer damage as the bill will be less than \$17,000 and he was concerned about submitting two claims in one week.

D. F104 Dog

An owner said her dog was attacked by the dog living in F104 which was running loose. Dan Ulmer recommended she call Animal Control and file a report. She said she did. Dan will follow up and determine if the residents are owners. There is also a dog tied to a tree by B101, right on the path. He will tell the owner the dog cannot be tied there.

She also has a problem with noise in T104. She has knocked on the door but has not been successful in mitigating the situation. Richard Garcia said the occupants would be warned and then fined if the noise does not stop. Dan Ulmer recommended that if the noise continues after-hours, she call the Sheriff. Cathy Brosius said it is reasonable to require no unreasonable noise at any time as owners have different schedules.

E. Parking Passes

Dan Ulmer said about half of the parking passes had not been picked up. Enforcement and fines will start May 1, 2009.

F. Patio Fence Removal

Dan Ulmer said reminder letters have been sent to owners with fences that need to be removed or replaced.

XI. SET NEXT MEETING DATE

There will be a work session Monday, April 27, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse to discuss the loan process and multiple project schedules.

The next Board Meeting will be Wednesday, May 20, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Sylvia Dowty made a motion to adjourn at 7:58 p.m. Glenn Johnson seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature

Addendum: Treasurer's Report

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF MARCH 31, 2009

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	13,888.50	170,516.91	184,405.41
Other Current Assets	65,765.43	172,638.28	238,403.71
Fixed Assets (net of depreciation)	211,895.93		211,895.93
	<u>291,549.86</u>	<u>343,155.19</u>	<u>634,705.05</u>
Current Liabilities	224,216.01		224,216.01
Long Term Liabilities	201,736.08		201,736.08
Donated Capital	2.00		2.00
Retained Earnings	-113,711.60	317,217.04	203,505.44
YTD Net Income	-20,692.63	25,938.15	5,245.52
Total Liabilities & Equity	<u>291,549.86</u>	<u>343,155.19</u>	<u>634,705.05</u>

Operating Fund P&L

	Actual	Budget	Diff
March Total Income	135,905.90	135,960.93	-55.03
March Total Expenses	118,872.28	120,158.49	-1,286.21
March Net Income	<u>17,033.62</u>	<u>15,802.44</u>	<u>1,231.18</u>
YTD Total Income	409,004.54	409,632.79	-628.25
YTD Total Expenses	429,697.17	424,609.97	5,087.20
YTD Net Income	<u>-20,692.63</u>	<u>-14,977.18</u>	<u>-5,715.45</u>

Major Variances**March:**

Building Maintenance under budget by \$4,456.29

Gas expenses over budget by \$6,612.95

Year to Date

Building Maintenance under budget by \$8,079.28

Director's Expense under budget by 9,325.54

Gas Expense over budget by \$24,667.85

Grounds Maintenance under budget by \$3,026.36

Snow Removal Expenses over budget by \$2,835.91

Water & Sewer over budget by \$3,091.00 (due to rate increase on 1/1/2009)

Reserve Fund P&L

Actual

March Total Income	14,914.44
March Total Expenses	<u>-3,965.96</u>
March Net Income	<u><u>10,948.48</u></u>
YTD Total Income	44,963.90
YTD Total Expenses	<u>-19,025.75</u>
YTD Net Income	<u><u>25,938.15</u></u>

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

**May 20, 2009
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, Cathy Brosius, Glenn Johnson, Paul Hage, Sylvia Dowty, Mike Kurth and Bob Price.

Owners present were Lee Vroble (X320) and Jeff Schramm (I205).

Representing Basic Property Management were Candy Ramage and Gary Nicholds. Kim Schiffmacher of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the April 15, 2009 Board Meeting minutes as presented. Glenn Johnson seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Jeff Schramm (I205) asked if he needed to apply to the Board for permission to leave his utility trailer in the temporary parking lot for more than thirty days while he is remodeling. Richard Garcia said that after thirty days the vehicle must be moved for two weeks before being returned to the lot

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings

V. RESIDENT MANAGER'S REPORT

Gary Nicholds will find out how many cars were towed last month and report to the Board.

A. Delinquency Report

Gary Nicholds reviewed the Delinquency Report. As of April 30, 2009 the total delinquent balance was \$40,728. There was nothing out of the ordinary. Sylvia Dowty pointed out that the top ten on the list totaled almost \$34,000. Gary noted that of those top ten, four are in foreclosure and three are on payment plans.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of April 30, 2009.

A. Year-to-Date Profit and Loss as of April 30, 2009

1. Total Income - \$585,522 actual vs. \$586,703 budget (0.2% under budget).
2. Total Expenses - \$616,466 actual vs. \$596,587 budget (3.3% over budget).
3. Net Income - (\$30,913) actual vs. (\$9,884) budget.

Budget overruns included natural gas and several damage claims. One of these claims was submitted to insurance but those in Building E were not submitted as the Board did not want to have another insurance claim and risk raising the rates so the expenses are being paid out of the Operating budget.

There was also a problem reading the natural gas meters. An estimated bill was received was inaccurate. The actual bill is being paid over a six month period.

Bed bugs have become a problem so there are some additional pest control expenses. Bob Price asked how the pest control is handled. Gary Nicholds replied that it usually takes several applications to get the situation under control. When asked what the source of the bed bugs was, Gary explained that they came in on shoes, luggage, etc. and that it is not a cleanliness problem but one that is on the increase throughout the United States.

B. Review Reserve Fund Status

Reserve income for the month of April was \$4,500 and expenses were \$9,330 resulting in net income of (\$4,829). The year-to-date balance was (\$12,678). The deficit is due to having purchased the boilers and pipe for Building O. It needed to be done but the Reserve Fund will be repaid once the loan comes through.

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

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said the grounds had been aerated and that the mulch was due to be distributed. The flower pots will not be put out until the middle of June due to frost.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Satellite dishes may not be attached to the porch rails. Once they are removed and the balconies repaired the dishes may not be re-mounted on the rails. They may be mounted on metal tripods on the decks. When they are mounted on the tripods they will be 12" -18" above the porch/balcony rails.

IX. OLD BUSINESS

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

Glenn Johnson noted all books are in order. The hallway book indicates that Buildings A-Q had not been vacuumed last week. He will check with Justin to determine if this was just an oversight.

B. Locker Rooms

Glenn Johnson said his wife had noticed mold on the shower curtains in, the ladies

locker room. She reported this to Justin and the next time she was in the curtains had been replaced. There is also some mold in the grout which she is going to try and clean. She would also like the staff to clean the hair out of the shower drains.

C. *Pet Clean Up Bags*

Glenn Johnson said his wife had noted the accumulation of dog waste at the end of their parking lot and that there were no pick up bags available. She said she would clean up but there should be bags available.

Glenn Johnson noted that the 'walkway' from their porch to the parking lot is currently brown. He kept it free of snow this winter and the neighbor's dog seemed to like the lack of snow. He is currently looking into grass seed for that area as well as for the other brown spots around the complex

D. *Light Fixtures in I Building*

Jeff Schramm said that one of the fixtures had been replaced in the hallway but that it was a different size than the old one and now there is a large stain around it. He thinks that all three fixtures should be replaced so that they match and then the ceiling should be painted.

E. *Loan for Infrastructure Repair/Replacement*

Gary Nicholds said the loan would be going to committee at Alpine Bank tomorrow. Larry Reavis of Alpine Bank is taking it as Sean is on vacation. Once it goes through the committee it will go to the attorneys for final review.

The bank needed one last bid before taking it to committee for the asphalt replacement even though it has been stated that would be done only if there was money left over. Candy Ramage and Gary will get that information to the bank

Gary Nicholds has also spoken to Peter Ammon, President of Alpine Bank regarding permanent financing. There are several options:

1. Prime plus 3.5% adjusted every 36 months.
2. Prime plus 2% adjusted annually.

The construction loan is prime plus 3.5%, adjusted daily

Sylvia Dowty asked if it might be possible to close out the construction loan early and take out extra money to finish the job. Gary said it may not be possible to do this as the bank may require invoices prior to disbursing any funds.

Jeff Schramm asked if there had been any response to the letter sent to owners regarding the loan. Richard Garcia said there had been and that the responses had all been very positive.

F. *Update on Pipe Replacement*

The pipe replacement in Buildings F and Q is finished. The drywall is coming along.

It can only be done after the piping is finished.

G. Bids

1. Painting - So far three bids for the painting have been received ranging from \$32,000 - \$108,000. When the bids were reviewed it was found that the contractors were not bidding on the same things even though they were given a set of specs on which to base their bids. The Board needs to review the bids to see exactly what each company has bid on before awarding anything. The painting should take approximately two to three weeks.
2. Balconies – The bids were redone to include only the caps and spindles and not the decking. For all future bids the contractors should sign and attach the specs to the bid as acknowledgment that they understand what they are bidding on.
3. Siding - Richard Garcia did a walk through with one of the contractors this morning and found more boards that needed to be replaced. This about tripled the original number. Paul Hage would like to revisit how the figures presented to the homeowners in the letter were reached. Once the actual scope of the project is determined it would be wise to investigate other options to get the best value for the money. Cathy Brosius noted that if the Board is considering the vinyl as an option, they need to get bids on it quickly. Gary Nicholds said he would look into it

Jeff Schramm asked about roof gutters as the ones on his building make a huge difference. The loan amount does include roof gutters for ten buildings. The gutter bid is independent from the siding bid. At this time, heat tape is not included in the loan amount

H. Process for Follow Up

There will be a walk through before the painting begins, another one in the middle of the job and one before the contractor leaves the premises with a punch list to be completed at that time because once the contractor has moved on to another job, getting the punch list taken care of becomes more difficult. It was noted by the Board that at this point no contracts have been awarded.

X. NEW BUSINESS

A. Unit O305 Conversion

The wall has been taken down and replace with a flimsy 'half wall'. There are tracks in both the ceiling and the floor for a 'curtain' or divider to cut the light. This was not seen, however, by Richard Garcia and Dan Ulmer when they inspected the unit. As long as there is no supporting wall, there is nothing in the Declarations to prevent a curtain type room divider.

Paul Hage asked whether it might be time to update the Rules to prevent this kind of changes to units. Even if it is not permanent, it is changing the usage of the unit by

adding a room. He would also like to know what the insurance would cover in a case like this. It is believed that it would cover returning the unit to its original condition.

The question also arose as to who owns the drywall. The Association owns the dry wall out and the owner owns from the paint in, including the interior walls.

B. Ditch At "A" Building

Richard Garcia has sent a letter to Equilibrium Resorts regarding the water ditch at "A" Building requesting that a grate be installed over the culvert opening. It is approximately 36" in diameter and it is a danger to children.

Management would have to watch it to make sure it does not become clogged with debris and overflow into another building. Richard Garcia stated he would rather have the Association pay for damage done by such a flood than to have a child swept into the culvert.

C. New Tax Assessments

Sylvia Dowty has copies of pamphlets explaining how the new assessment values were reached. It is also available on the County website.
(www.co.summit.co.us/Assessor/assessor_home.htm)

Jeff Schramm asked if there was an assessment for the Clubhouse and common area. Candy Ramage answered that she had not seen one and that it was assessed to the individual owners as they each owned a percentage of the common area based on the size of their units

Lee Vroble asked if Sylvia had any ideas on how much the different unit sizes had appreciated. Sylvia said on average properties had gone up approximately 20% but this could come down as the second half of 2008 was not taken into consideration in the assessments.

XI. SET NEXT MEETING DATE

The next Board Meeting will be June 17, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Sylvia Dowty made a motion to adjourn at 8:00 p.m. Paul Hage seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature

Addendum: Financials

DILLON VALLEY EAST
FINANCIAL SUMMARY
AS OF APRIL 30, 2009

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	31,093.61	129,589.59	160,683.20
Other Current Assets	62,931.61	172,638.28	235,569.89
Fixed Assets (net of depreciation)	141,304.18		141,304.18
	<u>235,329.40</u>	<u>302,227.87</u>	<u>537,557.27</u>
Current Liabilities	234,683.20		234,683.20
Long Term Liabilities	201,294.44		201,294.44
Donated Capital	2.00		2.00
Retained Earnings	-169,736.57	314,906.48	145,169.91
YTD Net Income	-30,913.67	-12,678.61	-43,592.28
Total Liabilities & Equity	<u>235,329.40</u>	<u>302,227.87</u>	<u>537,557.27</u>

Operating Fund P&L

	Actual	Budget	Diff
April Total Income	145,601.20	146,238.34	-637.14
April Total Expenses	183,309.49	174,123.66	9,185.83
April Net Income	<u>-37,708.29</u>	<u>-27,885.32</u>	<u>-9,822.97</u>
YTD Total Income	585,552.40	586,703.36	-1,150.96
YTD Total Expenses	616,466.07	596,587.60	19,878.47
YTD Net Income	<u>-30,913.67</u>	<u>-9,884.24</u>	<u>-21,029.43</u>

Reserve Fund P&L

	Actual
April Total Income	4,500.76
April Total Expenses	<u>-9,330.58</u>
April Net Income	<u>-4,829.82</u>
YTD Total Income	18,195.97
YTD Total Expenses	<u>-30,874.58</u>
YTD Net Income	<u>-12,678.61</u>

Notes from the Prez

Greetings

Projects Update

Several owners are wondering what happened to the proposed ballot for deciding how to finance the repairs for the infrastructure. Your Board of Managers decided the most efficient way to handle the financing is through a loan. Waiting for a ballot return would cause a great deal of lost time and several owners do not have the money for a large assessment or cannot afford a huge increase in monthly dues. The logical outcome was a loan. The loan has been approved by Alpine Bank is being reviewed by their legal department. We expect to sign papers during the week of June 8th and begin the remainder of the projects.

The domestic hot water replacement in the first floor units has begun. To date, five buildings have been completed. During the week of June 8th, buildings 'T' and 'U' will have pipes replaced. This project is a 'must do' item that must be accomplished with or without a loan. A new water leak is being discovered almost every day and our crew is making spot repair until the pipes in that building are replaced. I know your patience is running short, but we are doing the best we can. We shied away from doing all buildings at the same time because we would not be able to incorporate quality control on a large scale.

An additional web page has been added to our web site with information about project schedules including a Frequently Asked Question section. To visit the Projects page, go to www.DillonValley.org and click on the 'Projects' button in the top menu. Dates in the Project Schedule have not been assigned because we do not have the money in hand to purchase the hardware for the projects. Once dates are posted, they are subject to change due to weather, parts, or emergencies. So, please check the [Project Page](#) often for updates.

Sewer Pipe Problems

We are experiencing sewer pipe blockages due to cooking grease and fat being poured down drains. As the fat and grease enter cold pipes underground, the fat gels and causes blockage. This results in flooding of lower level units with waste water. The cleanup is expensive and a severe annoyance to residents of lower level units. We are acquiring camera equipment to locate the source of the grease and fat. When we discover the source, the owner of the unit will be billed for all repair and damages, and if necessary, attorney fees for collection.

Please do not pour cooking grease or fat into drains.

Have a nice summer

Richard Garcia
President
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
June 17, 2009
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, Mike Hage, Mike Kurth and Sylvia Dowty.

Owners present were Lee Vroble (X302) and Jack and Mary Regan (A204).

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

II. APPROVAL OF PREVIOUS MEETING MINUTES

Sylvia Dowty made a motion to approve the May 20, 2009 Board Meeting minutes as presented. Mike Kurth seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Lee Vroble provided some information on the tax benefits of energy efficient home improvements.

The owner of Unit P306 sent a request to change the “no pet” policy for renters. The Board agreed that they did not want to change the policy to allow renters to have pets.

The owner of Unit O105 sent a request to have her building moved to the front of the list for repiping as her unit is for sale and the building is not scheduled for the repiping for about two months. Richard Garcia explained to her that the buildings with the pipes in the most critical condition are being done first. Once they have been completed, work will start in A Building and proceed down the hill.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. RESIDENT MANAGER’S REPORT

A. Manager’s Report

Dan Ulmer reviewed the ongoing projects:

1. The sewer backed up in H Building twice. Roto Rooter cleaned the line the first time but apparently pushed the grease toward the main so it backed up a second time. The second time they cleaned the lines for 190 feet. They identified a low spot; a clean out will probably need to be

added. Some toilets and tub overflowed and the Association had to pay to have some carpets cleaned.

2. Sewer backed up in N Building. The lines were cleaned for 190' and a camera was run through the line.
3. A domestic water leak in Unit R103 was patched temporarily.
4. The pipes have been replaced in nine buildings (F, Q, AA, D, T, U, V, X and Y). In the process, efforts are being made to reduce the plumbing noises as much as possible.

Richard Garcia said the staff was finding many washers/dryers in units. They are keeping a list that will be cross referenced with the list of approvals granted by the Board.

B. Management Report

1. The attorneys are still working on finishing up the paperwork for the loan.
2. Permits will be pulled for all boilers.

C. Delinquency Report as of May 31, 2009

1. The first unit on the list is going up for sale August 14th. The Association will be able to collect six months of dues owed.
2. The second unit on the list has charges related to a water pipe leak. The owner will pay once the insurance check is received.
3. The third unit on the list is still making payments but the owner was deported.
4. The remainder of the top ten units on the list are making payments.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of May 31, 2009.

A. Year-to-Date Profit and Loss as of May 31, 2009

1. Total Income - \$731,391 actual vs. \$732,942 budget (0.2% under budget).
2. Total Expenses - \$734,889 actual vs. \$710,247 budget (3.5% over budget). The overage is due to damage claims, snowplowing and gas/electricity.
3. Net Income – (\$3,498) actual vs. \$22,695 budget.

B. Reserve Fund Update

1. Reserve Income – \$23,486
2. Reserve Expenses – \$49,471
3. Net Income – (\$25,984)

The expenses were for the water line replacements and replacement of two boilers and will be paid out of the loan proceeds once the loan funds is received.

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

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson was not present to provide a report.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius was not present to provide a report.

IX. OLD BUSINESS

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

Richard Garcia will review the books in the morning.

B. *Update on Pipe Replacement in First Level Units*

Dan Ulmer said the repiping had been completed in nine buildings. They are usually able to complete two buildings per week. The materials are costing about \$2,500/building on average and the sheetrock is also about \$2,500/building. The Association is saving a significant amount (over \$100,000) by utilizing in-house labor for the project.

C. *Loan for Infrastructure Repair/Replacement*

The loan is in process. The bank committee has given approval and the paperwork is now with the bank's and association's attorney's. It should be finalized within one to four weeks.

D. *Bids for Projects*

Buildings with projects scheduled for this year include A, B, C, X, Y, Z and BB. Work should start within two weeks, assuming the loan is approved. Some of the piping work is being paid out of the Reserve and these expenses will be reimbursed once the loan is processed. Bids have been received for painting, siding, doors, boilers, balconies, roof gutters and asphalt.

E. *Process for Follow-Up on Completion of Projects*

Gary Nicholds said he plans to let all contractors know that there will be a final walkthrough with the contractor and a Board member to review the punchlist before paying the final invoice.

Chuck Wood, Colorado Mountain Maintenance, is pulling the building permits for boiler replacements. He is acting as General Contractor and is saving the Association a great amount of money. He can schedule and coordinate all projects.

F. *Ditch at A Building*

Equilibrium Resorts put a grate at the entrance to the drainage pipe below building A. Richard does not feel the grate is adequate to prevent a child getting stuck and the quality of workmanship on the grate is questionable. He will get Dan Ulmer's opinion. Jack Regan asked who was responsible for grading the dirt

that was excavated from the ditch. Richard said it was an Association responsibility but there were no plans to address this issue this summer.

- G. *Basic Property Management Project Supervision Contract*
The Board will review this document before signing it.

X. NEW BUSINESS

- A. *Domestic Hot Water Replacement*
Paul Hage made a motion to continue domestic hot water line replacement with money from Reserves because of the essential nature of the project, with the expenses to be reimbursed from the loan proceeds once approved. Sylvia Dowty seconded and the motion carried.
- B. *Establish Nominating Committee*
Sylvia Dowty and Paul Hage were appointed to co-chair the Nominating Committee.

XI. SET NEXT MEETING DATE

The next Board Meeting will be July 15, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Paul Hage made a motion to adjourn at 8:00 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 MAY 31, 2009

Summary Balance Sheet

	Operating	Reserve	Total
Cash Accounts	17,205.79	115,706.15	132,911.94
Other Current Assets	77,064.73	172,638.28	249,703.01
Fixed Assets (net of depreciation)	141,304.18		141,304.18
	<u>235,574.70</u>	<u>288,344.43</u>	<u>523,919.13</u>
Current Liabilities	220,727.79		220,727.79
Long Term Liabilities	201,050.80		201,050.80
Donated Capital	2.00		2.00
Retained Earnings	-182,708.34	314,328.84	131,620.50
YTD Net Income	-3,497.55	-25,984.41	-29,481.96
Total Liabilities & Equity	<u>235,574.70</u>	<u>288,344.43</u>	<u>523,919.13</u>

Operating Fund P&L

	Actual	Budget	Diff
May Total Income	145,841.10	146,238.33	-397.23
May Total Expenses	85,942.78	115,159.18	-29,216.40
May Net Income	<u>59,898.32</u>	<u>31,079.15</u>	<u>28,819.17</u>
YTD Total Income	731,391.39	732,941.69	-1,550.30
YTD Total Expenses	734,888.94	710,246.78	24,642.16
YTD Net Income	<u>-3,497.55</u>	<u>22,694.91</u>	<u>-26,192.46</u>

Reserve Fund P&L

	Actual
May Total Income	4,672.43
May Total Expenses	-18,843.96
May Net Income	<u>-14,171.53</u>
YTD Total Income	23,486.63
YTD Total Expenses	-49,471.04
YTD Net Income	<u>-25,984.41</u>

Notes from the Pres.

Greetings

Special Projects Update

Our loan for the infrastructure repairs has been approved by Alpine Bank and the agreement is in the hands of the bank's attorney and the association's. Unfortunately, the processing of the loan and now the banter between the attorneys has delayed the major start of the project. We had hoped to start the projects no later than June 1st. So we may be a month late and not finish or start some projects.

One project that has started is the domestic hot water pipe replacement in the ceilings of all 1st floor units. This is a 'must do' project that cannot wait and must be done no matter. Your Board of Managers has approved this action. The pipes that are being replaced are the main feed for hot water in all floors of a building. As of June 27th, 11 buildings have had the pipes replaced. We have been able to replace pipes in a large building in one week and two small buildings in one week.

We have a [schedule on our web site](#) that is updated weekly. The 'Start Dates' are subject to change without notice.

We understand there are a few owners who are trying to sell their unit and would like to be on a priority for having the holes in their ceiling repaired. Please understand that there are 27 buildings with holes in most ceilings of the 1st floor units since winter and those residents have been patiently waiting. Your Board of Managers and property management have decided to repair the worst buildings first and then start from building 'A' and work down the hill. This would be the most unbiased manner.

Minutes by E-mail

We can save money by having you read the minutes on our web site and print them if you wish. If you would like to reduce your paper mail, then contact Basic Property Management at 970-668-0714 with your request and an e-mail address. Or send a note to subscribe@dillonvalley.org with your name, phone number for verification, and of course, your e-mail address. After you request notices by E-mail, check your e-mail service or software for junk/spam mail. Our notices are delivered by Yahoo Groups. If you see our message in your junk/spam folder, then take action to allow our messages.

Your Turn

Our Annual Meeting will be on September 19th (3rd Saturday of September) in the clubhouse. If you would like to make a difference and become a member of the Board of Managers, then contact any of the following people on the Nominating Committee before July 21st to nominate yourself. The Nomination Committee has until August 20th to submit nominations.

Sylvia Dowty 970-418-8146
Paul Hage 970-390-2428

Sincerely,
Richard Garcia
President
Dillon Valley East Condominium Association

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
July 15, 2009
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 Kurth, Cathy Brosius, Robert Price, and Glenn Johnson.

Owners present were Lee Vroble (X302), Carl Henry (U202), Elizabeth Kirt, (T104) and Jeff Schramm (I205).

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

II. APPROVAL OF PREVIOUS MEETING MINUTES

Cathy Brosius made a motion to approve the June 17, 2009 Board Meeting minutes as presented. Paul Hage seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Richard Garcia said he received a letter from attorneys Neidler and Alder regarding the Association's correction of poor workmanship on the grate at Swanson Oro Grande Ditch. The letter warned that no further work should be done to the grate.

A letter was received from Fred Pasternack complimenting the Board for their work and the appearance of the grounds.

Richard spoke with the owner of Unit G202. The heat in the unit is consistently over 90 degrees. It was confirmed that all valves in the heating system are closed. Further investigation revealed that there are hot water and heating pipes in the kitchen and hallway floors of the unit. It is not known if the overheating issue existed prior to the sale of the unit last year but there were no complaints registered from the previous owner. When the pipes are replaced in that building, extra insulation between the pipes and the floor will be added. There is nothing else that the Association can do.

The owner of Unit G306 requested that a lien not be placed on his property and that fines be waived. He currently owes \$2,257.50. The owner was granted a waiver back in March but he did not abide by the terms of the agreement and all finance and late charges were reinstated. Today he called Dan Ulmer and said he was on his way to the office to pay off \$1,000 but his car broke down. He said he would pay the balance due after a closing on 7/29/09. The cost is \$75 each to place and remove the lien and it will affect his credit score. He was also delinquent last year and during the fire renovations. Glenn Johnson made a motion to deny the owner's request to pay \$1,000 immediately and the balance at the end of the month. Paul Hage seconded and the motion carried.

Elizabeth Kirt said the maintenance staff spilled Windex and burned her carpet with solder and splattered solder on her wall and trim in the process of replacing the pipes in her ceiling. The Windex dried without a stain but the burned carpet needs to be repaired and the trim and wall repainting was not well done. They also spilled paint on a bag in the unit and her tent disappeared. She is asking for replacement of the tent and repair of the carpet. She will do the repainting herself but would like reimbursement for the supplies. She provided photos of the damages. Dan Ulmer felt she should be required to produce a receipt for the tent and was concerned about setting a precedent. He said the carpet will be difficult to fix because it is such a small area but he can get a professional to look at it. Dan said this was the only complaint they have had related to the pipe project. The current retail cost for the tent is \$391. Dan Ulmer estimated the carpet repair could be done for about \$60. Bob Price proposed tabling a decision on all claims until she can try to produce some proof of ownership of the tent, i.e. a receipt, warranty card or a photograph.

Jeff Schramm said one of his neighbors brought to his attention that the workmanship on replacing the steel door at the far north entrance of I Building was substandard. Some molding is missing and the casement was not finished. Dan Ulmer said he inspected all the doors this spring and he did not notice this problem but he will have it checked. Jeff also asked if the other light fixtures in the hallway would be replaced to match the new fixture. Paul Hage said the staff was very busy at the moment with the piping project. Richard Garcia said the Board was addressing poor workmanship going forward by creating punch lists for all projects. Owners can do work in common areas if they sign a waiver.

Carl Henry asked if the names of the owner delinquencies could be included in the minutes. Richard Garcia said the top ten would be listed. Carl also asked if a new rate for natural gas would be locked. This will be part of Dan Ulmer's report tonight.

Jeff Schramm asked if the previously discussed \$500 fine for delinquencies had been implemented. Richard Garcia said the Board needs to check that this can be done legally. Bob Price asked to have this item added to the agenda for the next Board meeting.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. RESIDENT MANAGER'S REPORT

A. Manager's Report

Dan Ulmer reviewed the ongoing projects:

1. The piping project has been completed in nine buildings and two more should be completed this week. They are moving quickly. The painting has presented challenges due to different colors in different rooms. They are cushioning and insulating the pipes to quiet them.
2. The boilers are starting to fail fast. Three have significant leaks. Albert Amerin is working on F Building, which has the worst of the flooding

right now. He will do J Building next. He is moving around one of the old boilers on a trailer to run the system in each building while the single boilers are being replaced. Boilers that have been completed have been inspected by the County and some have been inspected by the State. Chuck is pulling permits for all boiler replacements at no cost to the Association. Dan Ulmer has found a scrap metal business that will take all the materials away at no cost.

Bob Price said he was concerned about relaxing management responsibilities during these projects, i.e. parking enforcement. Dan Ulmer said he was picking up the load personally. Cathy Brosius said there had been a car parked with a flat tire for a month. Dan said there had been very few complaints aside from hot water issues.

B. Delinquency Report as of June 30, 2009

1. Garner (W201) - \$10,910. Foreclosure sale date is 8/14/09.
2. Chambers (Q103) - \$9,253. This is an insurance issue only and the full amount will be released once she signs all the insurance paperwork. The Board instructed Dan Ulmer to have a lien filed if she does not pay by the end of the month.
3. Haws (B101) - \$6,978. Going into foreclosure.
4. Ortiz/Cazares (D103) - \$5,808. Attorney has requested the payoff amount.
5. Giamanco (R204) - \$3,998. Making monthly payments.
6. Korshunov (BB104) - \$2,839. Making monthly payments.
7. Kuzminova/Alexander (A206) - \$1,757. Cured the original foreclosure but is once again behind and the process has started over.
8. Ryon (G306) - \$1,731. Lien will be filed.
9. Drabek (B201) - \$1,640. Making payments.
10. Hubbell (R105) - \$1,574. Making payments.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of June 30, 2009.

A. Year-to-Date Profit and Loss as of June 30, 2009

1. Total Income - \$877,003 actual vs. \$879,180 budget (0.2% under budget).
2. Total Expenses - \$836,487 actual vs. \$827,331 budget (1.1% over budget). The most significant variances were due to natural gas, water damage claims and the bedbug issue.
3. Net Income – \$40,516 actual vs. \$51,849 budget.

B. Reserve Fund Update

1. Reserve Income – \$28,196
2. Reserve Expenses – \$133,295
3. Net Income – (\$105,098)

Reserve Fund expenditures year-to-date has been for boiler and the water line replacement project. The expenses for the water line replacements and replacement of the boilers will eventually be paid out of the loan proceeds. Paul Hage suggested waiting to repay the Reserve Fund until the end of the year to save on interest payments for the loan draws.

Dan Ulmer announced that Lanelle Barnett was no longer with Basic Property Management. She is now working full time at her mortgage business.

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

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said he would check the books in the morning.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said there had not been any activity. Dan Ulmer said for any balconies with satellite dishes attached, he instructed the contractors to detach the dish and leave it hanging, and not to reattach it to the new balcony.

Jeff Schramm asked if there was any action that could be taken to recover the fees for any washers/dryers that were not approved by the Board. Cathy Brosius said some owners had been fined. Jeff said it was a County issue. Richard Garcia said the Board did not have the authority to go into units to inspect for washers/dryers, but they are making notes on any that are found in first floor units during the pipe work.

IX. OLD BUSINESS

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

Glenn Johnson said he would check the books in the morning.

B. *Loan for Infrastructure Repair/Replacement*

Richard Garcia said the loan was ready over a month ago but there were several attorney reviews on both sides until it was finally resolved. He does not know what the attorney fees will be yet. Five Board members voted in favor so the loan was signed. He could not reach Paul Hage or Mike Kurth. There will be a maximum of two draws per month which will require multiple signatures from Dan Ulmer, Gary Nicholds and Richard Garcia. If Richard is out of town, he will email his approval. The bank wanted a General Contractor (GC) tied to the loan. Chuck Wood of Colorado Mountain Maintenance has offered to be the GC and will not charge for the service. The bank required individual contracts for each project with project management fees on each.

The Board then reviewed the individual contracts and found there were only management fees for the piping and boiler projects.

Bob Price said he was not aware that all the projects listed under the loan had been approved by the Board. Paul Hage said the Board had approved the projects at the last meeting. Bob pointed out that the contract also awarded the work with no cap on the price increase for the contractor in 2010. Gary Nicholds said the contractor would only increase the price to reflect actual price increases for materials. Paul said he would like to see more detailed bids from the contractor. Paul pointed out that the total cost for all the projects listed was over the \$1.5 million loan total. Dan explained that the projects included \$400,000 for asphalt and a \$150,000 contingency, so there is actually about \$500,000 that may not be spent. Bob and Paul objected to signing a contract committing to pay a contractor for a project in 2010. Dan and Richard said this was what the bank required.

The Board affirmed that that they were properly notified and a vote was taken on approval of the loan on Sunday with four in favor, one against and two unreachable. The contracts were approved as presented at that time, but the Board can now propose amendments. The contracts have not been signed and do not need to be signed because the loan has already been approved.

Bob Price said he would like to see an itemized list of expenses broken down by project at each monthly Board Meeting for each project that is underway.

Dan Ulmer provided a sample of the notice that will be posted at each building when the projects start.

The Board reviewed the figures on Addendum D & E. Bob commented that the project management fee was 1.5%. Dan said this was in the management contract. Bob noted there was also a \$10,000 contingency for each project, even though the project total costs varied greatly. Bob said he would want to have a process in place before spending any of the contingency. He did not want any funds authorized to be spent without Board approval. Richard said he would sign contracts D & E for the piping and boilers in the morning. The total for those projects is \$664,180 but that total amount does not have to be drawn immediately.

For the siding, Chuck provided a more detailed bid so the Board will have to sign both that bid and the bank form. Dan will scan the contracts for the siding, painting and balcony projects and email them to all Board members.

The workers are ready to start siding tomorrow. Bob said the contractor should be told to start, assuming the contractor does not object to starting without a contract. Paul Hage said could sign the existing contract, striking "2010" and adding language clarifying that the contractor will provide the siding and that the contract is a "lump sum contract" with no authorization for additional expenditures without Board approval.

The A, B and C contracts (balcony, siding and paint) will be modified to reflect that they include a lump sum for materials and labor and the date changed will be changed from 2010 to 2009. The total for these three projects is \$183,000.

The remaining contracts are for the gutters, asphalt overlay and exterior doors. The bids to remove the old doors and install the new doors are \$300 – 700, not including the door purchase. Bob said he would like to see the door project delayed.

Bob asked about the contractor agreement. Richard said it would be signed. Richard asked what would happen if the contractor resists changing the contract year to 2010. Bob said he would not be opposed to leaving it in there as long as there is a 5% cap included. He suggested adding a statement that if the cost of the job changes by 5% up or down, either party at their sole decision has the opportunity to rebid the project.

C. Nominating Committee

Paul Hage reported that Glenn Johnson agreed to run again. Mike Kurth said he would prefer not to run but he would serve again if there were no other nominees. The last day for self nominations is July 21st. The last day for nominations by the Nominating Committee is August 20th.

X. NEW BUSINESS

A. Recycling Program

This property was not selected for the pilot recycling program. Dan Ulmer reported that a lot of people were throwing regular garbage into the recycling bins. The County is now only accepting #1 and #2 plastic. Owners are reminded to put regular trash in the trash dumpster and to only put recycling into the bins. The Association is paying \$75/tote/month for recycling and some Board members felt it should be discontinued. Dan and Gary Nicholds will research this issue and report back to the Board.

B. Website

The website is updated weekly with information about the projects.

XI. SET NEXT MEETING DATE

The next Board Meeting will be August 19, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XII. ADJOURNMENT

Bob Price made a motion to adjourn at 9:35 p.m. The motion was seconded and carried.

Approved By: _____

Board Member Signature

Date: _____

Notes from the Prez

Greetings

If you reside in Dillon Valley, you are witnessing a major overhaul of our buildings. Each week, you can see pipes laid out on different sections of the property where the hot water pipes are being replaced. Siding is being replaced. Balconies are being repaired. Buildings are being painted. And boilers are being replaced.

Water Pipe Replacement

All 1st level units are having hot water pipes replaced in their ceilings due to aging of the pipes. The pipes are feeders for all levels of the building. Therefore we must gain access to every 1st floor unit multiple times to open the ceiling, replace pipes, repair the ceiling, texture the ceiling, then paint the ceiling. This process cannot be done in one day. During our visit, notes will be taken of installed washers and dryers. If an illegal washer or dryer is found, the owner will be ordered to remove it or face a \$50 fine followed by a \$75 fine with a maximum of a \$200 fine per day of non-compliance. Washer and dry information is on the [Dillon Valley East web site](#) and available at the clubhouse.

Balconies and siding of buildings D, E F, G, H, I, J, and AA

The Balconies are receiving repairs for safety. The original slats with diamond cuts are being replaced. All satellite dishes mounted on balcony rails will be removed and not reinstalled. If the owner/resident/guest reinstalls a satellite dish on a balcony rail, the owner will be fined \$50 and billed for the balcony rail replacement. The bill could be as high as \$500.00 or higher. [Applications and instructions](#) for satellite dishes are available on the [Dillon Valley East web](#) site and at the clubhouse. Notices are being placed to have owners/renters/guest remove items from balconies to allow work to be done. If our contractor has to move items, the unit owner will be billed for the time. Our contractor, property management, and Association will not be responsible for damage or loss of personal property being removed by our contractor.

Damaged siding panels of the mentioned buildings are being replaced. Then the buildings will be painted. During the days of painting, please use another parking lot to park your vehicle in to avoid over-spray. Then at night, move your vehicle back to your reserved area.

Boiler Replacement

We are attempting to replace boilers in all buildings before the temperature falls with winter arrival. During the days of boiler replacement, you will experience delay in hot water delivery because the hot water is either being delivered from the building next to yours or being delivered from a portable boiler outside your building.

Still time to have your say

The deadline for self nomination to the Board of Managers has passed. Until August 20th, a member of the Nominating Committee can place your name as a candidate. Contact either:

Sylvia Dowty 970-418-8146

Paul Hage 970-390-2428

Are you adequately insured?

If you rent your unit, do you have insurance to cover your dues, lost income and replacement of contents in case of fire or other damage? If you are a renter, do you have renters insurance to replace your personal items in case of fire or other damage? The Association's insurance covers buildings and common areas for damage. That means if your building is damaged by fire or other, the building will be restored to the way it was when the contractor turned the property over to the Association 35 years ago. Upgraded carpets, doors, cabinets, windows, counters, etc, will not be replaced by the Association's insurance. That task is up to your insurance carrier. If you wish to restore your unit to an upgraded level or upgrade your unit, you will only receive reimbursement value for generic items. Also, if you cannot occupy your unit during reconstruction, your monthly dues are still in effect. The only good news about a building being restored is that a condominium unit being restored must meet today's building codes. With good news comes bad news. Those cute looking Swedish fire places cannot be reinstalled. Per Summit County Building code, only catalytic fireplaces can be installed.

So if you do not have insurance, get it.

Save a tree. Save us money.

If you would prefer to receive a notice about meeting minutes being posted on our web site, send a notice to Subscribe@DillonValley.org. Please include your name, unit number, and phone number for verification.

Thanks for reading

Richard Garcia
President
Dillon Valley East Condominium Association

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

August 19, 2009

Dillon, Colorado

I. CALL TO ORDER

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

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

Owners present were Jay Owens (Q104), Janet Chambers and Phil Fassman (Q103) and Jim Gerson (W302).

Representing Basic Property Management were Dan Ulmer, Candy Ramage and Gary Nicholds. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Paul Hage made a motion to approve the July 15, 2009 Board Meeting minutes as presented. Cathy Brosius seconded and the motion carried.

III. COMMENTS FROM THE FLOOR AND COMMENT BOX

Janet Chambers said she received a letter from Basic Property Management that a lien was not filed on her unit as she did not actually have a delinquent balance. For the record, she requested a formal apology in the minutes. She felt she should be reimbursed for the time she could not use her unit. Dan Ulmer said the bill for repairs was now over \$30,000, some of which is for remodeling. He said she would need to negotiate with the insurance company regarding any reimbursement as it is not an Association issue. She said there were things missing from her unit and she found that the front door was unlocked. Dan said Kevin from A Kinder Carpet told him all work was finished. Dan added that the Association had paid for certain things and needed to be reimbursed. Phil Fassman said there were a number of things that were not finished. Dan explained that the Association insurance only covers the original fixtures and the owners should work directly with Kevin.

Jay Owens said his unit was flooded due to the pipe break in Unit Q103. There is sheetrock work and touch up painting to be finished, light covers need to be reinstalled, the carpet needs to be stretched and cleaned and plywood outside cleaned up. He said his cabinets are warped from the flood and he would like to have someone look at them. Dan said the damage should have been reported immediately when it occurred. Jay said the unit has flooded numerous times over the past eight years. Dan said he would call the adjuster and see what he says. Jay said his kitchen linoleum was also damaged several years ago when a pipe was dropped on it by maintenance staff.

Cathy Brosius said the owners should be reminded that damage claims must be addressed immediately, not several years after the fact.

Jim Gerson asked about the Annual Meeting packet. Dan Ulmer said it would be mailed tomorrow.

IV. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

V. RESIDENT MANAGER'S REPORT

A. Manager's Report

Dan Ulmer reviewed the ongoing projects:

1. Replacing all piping in ceilings. J and S Buildings and the Clubhouse remain to be done. About 140 units have been completed since mid-July. There were a few complaints about cleanliness. The copper and brass piping is being recycled. The projected should be completed by September 4th.
2. Boiler replacement is ongoing.
3. Interior unit painting is being done as the sheetrock work is completed.
4. Mowing and trimming is ongoing. Dan Ulmer has received numerous positive comments from owners about the appearance of the grounds.
5. Dan asked Glenn Johnson to inspect the building exteriors that have been painted.

B. Delinquency Report as of July 31, 2009

The report was not available for review during the meeting. As of July 31, 2009 the delinquent balance was \$39,669. The balance is lower now because some owners have paid. One bankruptcy unit sold last week and one will sell this week. If the mortgage company takes it back, the Association will receive six months of dues but the Association can go after the owner for the remainder. If the unit is purchased, the Association can collect the full amount. The Board discussed an escalating fine for delinquencies. Dan Ulmer will talk to Rich Garcia about this proposal because he may have discussed it with the attorney. This issue will be added to the next Board Meeting agenda.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of July 31, 2009. He explained that the original Treasurer's Report for the Operating account reflected some expenses that should be paid out of the loan so the figures are skewed. He met with management this afternoon to work out a system with a separate spreadsheet for the loan expenses. He will provide this report at next month's Board Meeting. He noted that the figures below are estimates.

A. Year-to-Date Profit and Loss as of July 31, 2009

1. Total Income - \$1,022,351 actual vs. \$1,025,418 budget.
2. Total Expenses - \$997,102 actual vs. \$. 995,186.
3. Net Income – \$25,249 vs. \$30,233

B. Reserve Fund Update

1. Reserve Income – \$32,763
2. Reserve Expenses – \$62,476

3. Net Income – (\$29,713)

The Treasurer's Report will be approved by email, pending correction of the figures on the final report.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said Anton has been doing a great job with the mowing and trimming.

VIII. ARCHITECTURAL REVIEW COMMITTEE

An owner in Cathy Brosius's building is replacing windows and patio doors. She said some owners have installed white patio doors and they need to be informed that the frames need to be painted. Paul Hage said there was a spray paint for vinyl. There is also an owner with a white screen on a dark brown frame. She will get the unit number.

Dan Ulmer said that only dishes with tripods are allowed on the new balconies. Owners who attach dishes to the wall, railing or new Trex will be fined and will have to repair or replace the damaged material. Specifications for proper installation are available at the Clubhouse or on the website.

IX. 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 in the afternoon. The Security book was complete but the last entry in the Cleaning book for vacuuming was on 7/19/09. It has been done but not recorded in the book. The Boiler book had no entries after 7/15/09. Dan Ulmer will check into this.

B. *Loan for Infrastructure Repair/Replacement*

For clarification, Paul Hage made a motion to approve the loan agreement and Special Projects Contracts. Glenn Johnson seconded and the motion carried.

C. *Special Projects*

1. Painting, Siding and Balconies – All work should be completed by the end of this week except B Building, which should be done next week. Dan Ulmer said it appears there will be about 30 sheets of siding left over. Gary Nicholds asked the Board if they wanted to do one or two more buildings at the same price since the lift and painters are on site. If not, the siding will have to be stored. He suggested using the remaining siding on V and W Buildings. Paul Hage said additional buildings were not budgeted because the Board did not want to increase dues mid-year. Gary said the contractor would need to know the Board's decision by next week. Candy Ramage will do a projection for year-end. Paul Hage made a motion to authorize siding replacement, painting and balcony work on V and W Buildings pending review of the analysis of the impact on the budget. Cathy Brosius seconded and the motion carried.
2. Doors – 17 doors were ordered from Texas at a savings of about \$35,000. Three bids for door installation were obtained but Dan Ulmer did not recommend

going with the lowest bidder. The other two bids are practically identical and he recommended using Colorado Mountain Maintenance. Sylvia Dowty made a motion to have Paul Hage review the contracts for the door installation and to sign the one that meets his criteria and the Board's direction. Cathy Brosius seconded and the motion carried. Cathy Brosius said her stack door was painted dark brown and it sticks in the morning but not in the afternoon. She thought the doors should be painted the lighter color of the building. Glenn Johnson will talk to Glen the painter about the door painting. Dan Ulmer said the painter would touch up the buildings that were painted last year at no charge once he is finished with the buildings that are being painted this year.

3. Boilers – The Clubhouse and H, E, F, N, O and R Buildings all have new boilers. Some companies are not stocking boilers with all necessary parts and the boilers cannot be installed without the flues. The flues are scheduled to ship from Germany at the end of September. Dan Ulmer contacted George T. Sanders who has the franchise for the boilers and explained the situation. Sanders will work with his purchasing agent to get the necessary parts moved from the bottom of the list to the top of the list.
4. Roof Gutters - Gutters will be installed as soon as the siding and painting is completed. They will be up before winter. Cathy Brosius made a motion to authorize Paul Hage to sign the Turner Morris contract for gutter installation. Sylvia Dowty seconded and the motion carried.

X. NEW BUSINESS

A. Missing Tent Reported – Lisa Kirt (T-104)

The Board decided at the last meeting to wait until the end of the piping project in case there are any other claims so they can be addressed at one time.

B. Request to Place Three Totem Poles in front of Clubhouse – Glenn Johnson

Glenn Johnson would like to install three totem poles in front of the Clubhouse by the boiler room. Cathy Brosius thought they could be put where the pine trees are going to be removed. They would be anchored in a hole with concrete. Cathy suggested putting mulch and a small fence around the base. The Board approved this installation. Glenn Johnson will have the work done.

C. Lock Box Bars

Sylvia Dowty proposed adding another lock box bar on the outside of the staircase going to the laundry for owner and management company lock boxes. The original lock box bar on the front of the Clubhouse would be for Realtor© use only. The Board agreed to send the owners of the lock boxes certified letters instructing them to move their lock boxes to the new bar by September 30th or they will be cut off. If owners cannot move the lock boxes themselves they should call management and the lock box will be moved by a Board member. Sylvia Dowty made a motion to add a new owner/management company lock box bar by the laundry room stairs, to have all non-Realtor© boxes moved onto it by September 30th and to notify owners by certified mail. Paul Hage seconded and the motion carried.

D. Dogs in Rental Units

Cathy Brosius said the owner of the unit next to hers is renting short term and every rental guest has brought a dog. She found that the owner was advertising the unit as “pet friendly”. Dan Ulmer has called the owner three times to warn him about the violation. Dan suggested establishing a fine of \$250 for any renter with a dog and to increase the fine by \$100/month until the dog is gone. Paul Hage noted that there is already a \$50/occurrence fine for dogs. The Board agreed that “occurrence” could be defined to mean per day. The Board agreed that the rules concerning dogs need to be strictly enforced and “per occurrence” will be understood to mean per day. Paul said Board has an obligation to first enforce the existing rule and if it is not effective, the Board can discuss increasing the amount.

E. Nominating Committee

The terms of Glenn Johnson and Mike Kurth expire this year. Two owners expressed interest in running for a Board seat. Lisa Watkins has attended several meetings and submitted her bio. Another owner expressed interest but not until three weeks past the deadline for self nominations. He has not attended any Board meetings. He will be encouraged to run again next year. Erin Griffin, who works for Basic Property Management, submitted a nomination for her husband but Sylvia Dowty felt his serving on the Board would present a conflict of interest. Glenn Johnson plans to run again but Mike Kurth has not decided. He will let Gary Nicholds know his decision tomorrow.

F. Staffing

Dan Ulmer would like to keep Jason and Danny on payroll through October to have them reinstall the bird netting while Serve and Calixtio clean hall carpets. Dan thought their work, estimated to cost \$2,500, could be paid for out of the Xcel refund. Paul Hage said he would want to have a more firm dollar figure for the expense and where it would be charged in the budget because the Association is over budget in Operating expense. Gary Nicholds will provide a calculation of the expense.

G. Clubhouse Carpet

Cathy Brosius said she thought recarpeting the Clubhouse was a great idea but the other high priority projects need to be completed first.

XI. SET NEXT MEETING DATE

The Annual Meeting will be Saturday, September 19, 2009 at 10:00 a.m. in the Clubhouse. The next Board Meeting will be held after adjournment of the Annual Meeting.

XII. ADJOURNMENT

A motion was made to adjourn at 8:45 p.m. The motion was seconded and carried.

Approved By: _____

Board Member Signature

Date: _____

Notes from the Pres.

Greetings

Our Annual Owner's meeting will take place September 19th, in the clubhouse at 10:00 AM. If you owe a payment or fine and would like to attend, you must clear your account either before the meeting or arrive early and make payment at the door.

Coffee, juice, and snacks will be available for early attendees. Lunch will be provided after the meeting.

If you would like to speak on a topic, a "first come, first served" sign-up sheet will be available. Time limit for each person will be 2 minutes and a limit of 15 minutes for any topic. A time limit of 1.5 hours on topics will be engaged.

I hate to bring up the subject of dog owners again, but I need to address it again. Dogs are not the problem. It is the dog owner who is the problem. Only owners may have a dog. Renters and guests may not house a dog. Dogs must be licensed with Summit County and must be registered with our clubhouse. Our Rules say dogs must be under physical control when on the common areas. That means a leash must be used. Voice command is not allowed. Our Rules supersedes Summit County ordinance concerning dogs. We understand that dogs need exercise and should socialize with others. We will not form a vigilante group to search for dogs at play. But if a report is submitted that a dog is loose or bothering others, we will follow up with a possible \$50 immediate fine and or a demand that the dog be removed from the property. Your Board of Managers and property management has looked into setting up a dog area near the clubhouse and determined that there was not enough money to support the area year around or seasonal.

Our hot water pipe replacement is moving along at a faster pace than expected. It may be completed by mid-September. We are moving along with the painting of buildings and balcony repair as well. The boiler replacement project was slow to start due to delivery and financing, but is quickly ramping up. There will be no asphalt repair this year. We hope to do asphalt repair during the summer of 2010.

Thank You for putting up with our contractors during our busy summer season.

Sincerely,
Richard Garcia
President
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
September 19, 2009
Dillon, Colorado**

I. CALL TO ORDER

The meeting was called to order at 1:40 p.m. by Richard Garcia.

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

Owner Barbara Johnson (S103/S104) was present.

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

II. APPROVAL OF PREVIOUS MEETING MINUTES

Glenn Johnson made a motion to approve the August 19, 2009 Board Meeting minutes as presented. Cathy Brosius seconded and the motion carried.

III. TREASURER'S REPORT

Paul Hage reviewed the financial status as of August 31, 2009.

A. Year-to-Date Profit and Loss as of August 31, 2009

1. Total Income - \$1,169,433 actual vs. \$1,171,657 budget (0.2% under budget).
2. Total Expenses - \$1,076,027 actual vs. \$1,103,697 budget (2.5% under budget).
3. Total - \$93,406 favorable to budget overall. Some project expenses are being paid out of Reserve and will be paid back from the loan at year-end to save on interest payments.

B. Loan Update

Paul Hage reviewed the loan expenses to date. Bob Price requested addition of a column indicating the percentage completed for each project.

Bob Price made a motion to approve the Treasurer's Reports for July and August 2009. Cathy Brosius seconded and the motion carried. Candy Ramage will change the financial report format to one page in landscape format.

IV. AFFIRMATION OF APPROVAL TO ADD BUILDINGS V & W TO SUMMER PROJECTS

A motion was made to approve the addition of Building V & W to the summer projects. The motion was seconded and carried.

V. COMMENTS FROM THE FLOOR AND COMMENT BOX

Richard Garcia reviewed the emails he had received since the last Board meeting:

1. There was a dog-related incident involving Lisa Watkins (T305) and Jared Cohen (Q206). Richard Garcia intervened and resolved the issue.
2. Glen Egbert (N106) expressed disappointment about the Board's refusal to allow him to run for a Board seat. Richard Garcia responded that he had missed the deadline for self-nomination.
3. Elizabeth Kirt (T104) inquired about the Board's decision regarding her tent. Richard Garcia responded that this issue would be resolved at this or the next Board meeting.

VI. FINES AND HEARINGS

There were no owners present regarding fines or hearings.

Three warning letters were sent last week about satellite dishes. One has been removed and the owners of the other two units will be fined on Monday.

VII. RESIDENT MANAGER'S REPORT

A. Staffing

Dan Ulmer said he would like to keep two summer staff members on payroll through October to clean carpets. The cost would be \$4,992. Martin Ceniceros said there were a couple of higher priority projects, including repairing the light fixtures in first floor units that were damaged during the piping project, replacing the fan covers and installing bird netting.

Paul Hage made a motion to approve up to \$5,000 for Anton and Jason to continue working through October with their salaries to be paid out of the Operating Fund. Glenn Johnson seconded and the motion carried.

B. Delinquency Report as of August 31, 2009

1. B101 – \$9,428. The unit is set for sale on 10/16/09.
2. R204 – \$4,439.
3. W201 – \$14,190 The Association now owns the unit.
4. A206 – \$3,813 The owner is paying the mortgage so the Association is in the primary position.
5. BB104 – \$2,119 The owner is on a payment plan.
6. G306 – \$1,067 Paid today.
7. G106 – \$2,269

The total delinquent balance is about \$47,000, which is higher than last month.

VIII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said an owner in A Building was disappointed with the sprinkling lately. Some of the grass is brown and the owner requested that the sprinkler be turned back on. Gary Nicholds said the grass was starting to freeze due to low night temperatures. Glenn said he was very pleased with Anton's work with the mower and trimmer.

Barbara Johnson asked about the totem poles and snow removal. Richard Garcia said when he read about the decision that had been made at the last Board meeting in the minutes he put a hold on it. He was concerned about what the totem poles might represent religiously. Barbara said the totem pole represented the story of a family with no religious overtones. Paul Hage made a motion to allow placement of the totem poles outside the Clubhouse. Cathy Brosius seconded and the motion carried. Dan Ulmer recommended applying a heavy coat of polyurethane to preserve the wood. Trees on the east side of the pool area will be removed. In that location, the totem poles will be installed. Glenn Johnson was appointed as a one person Totem Pole Committee.

Gary Nicholds presented a proposal for using a contractor to provide loader services for snow removal instead of renting a loader for the winter. After reviewing the details of the pricing and terms, Bob Price indicated that he was not in favor of using an outside contractor as the initial savings were only about \$5,000, which could be consumed by only four additional days of plowing. Dan Ulmer mentioned that the Association could purchase a loader and the payback would be about two years. After further discussion Bob Price made a motion to have Julian Brodie reserve a rental loader and to handle snow removal as it was done last year. Glenn Johnson seconded and the motion carried.

IX. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said a new owner contacted her about installing a washer/dryer and making interior improvements.

X. OLD BUSINESS

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

Glenn Johnson said did not get to inspect the books today and he would do it tomorrow or the next day.

B. *J Building Leak*

Dan Ulmer said there is a leak under the slab between Units 101 - 110. Glycol cannot be added to the new boilers system until the leak is repaired. Dan thought it could be located with an infrared sensor. It may be necessary to cut into the concrete in a unit.

C. *Pipe Replacement Update*

Gary Nicholds was asked to work with Julian Brodie on a project update to determine exactly where the project stands financially. Paul Hage believes the boiler portion of the project will go over budget.

D. *Owner in E105 Dog Warnings*

There was an issue with a dog in a short term rental unit but it appears to have been resolved.

XI. NEW BUSINESS

A. *W201 Foreclosure*

Sylvia Dowty has been working on this foreclosure. The unit owner has stopped paying monthly dues to the Association, but has continued making mortgage payments. Following due process of foreclosure by the Association, it now owns the unit, even though there is still a deed of trust between the owner and bank. Sylvia Dowty is getting more involved in this issue. The Board agreed not to “muddy the waters”. Erin Griffin of Basic Property Management said the utilities needed to be switched over to the Association. She was authorized to do this.

B. *New Lock Bar*

The new lock bar for owners is on site and will be installed. Its’ location will be on the west side of the clubhouse at the entrance to the laundry room.

C. *2009/2010 Budget*

Paul Hage said pest control, carpet, painting are all issues to be addressed in the new budget. Bob Price proposed a Budget Committee to draft a budget for presentation to the Board. Richard Garcia, Paul Hage and Bob Price volunteered to work with Candy Ramage.

D. *Fire Alarm and Solar Systems*

Suggestions were made regarding a fire alarm and solar systems by an owner during the Annual Meeting but the Board agreed not to take further action at this time.

XII. ELECTION OF OFFICERS

Bob Price made a motion to elect the same Officers as last year. Glenn Johnson seconded and the motion carried. The Board will elect a Vice President to replace Mike Kurth at the next meeting.

Officers are:

President	Richard Garcia
Secretary	Cathy Brosius
Treasurer	Paul Hage

XIII. SET NEXT MEETING DATE

The next Board Meeting will be Wednesday, October 21, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XIV. ADJOURNMENT

A motion was made to adjourn at 3:35 p.m. The motion was seconded and carried.

Approved By: _____

Board Member Signature

Date: _____

Notes from the Pres.

Greetings

We had very good attendance at this year's Annual Meeting. The Board received several comments on the appearance of the property and the way projects were being managed. There were, of course, a few negative comments that we are turning into learning opportunities.

The one subject that everyone wants to know is dues for 2010. We had a budget meeting on October 4th and concluded that the dues increase for 2010 will increase per the letter sent to all owners in May of this year.

Dues increase would be in addition to current dues. Of course, as I am putting down numbers, they are probably changing due to some unforeseen activity. So, until we are official on the dues increase, please use the figures below for planning.

Estimated dues increase for year 2010

Studio	\$10.00
1-Bedroom	\$18.00
2-Bedroom	\$23.00
3-Bedroom	\$30.00

Our loan from Alpine Bank helped us rejuvenate our property by repairing all hot water pipes in the ceilings of all 1st floor units, replacing all boilers, replace damaged siding and balconies, paint buildings, replace rain gutters, and replace entry doors. With exception of repairing water pipes, all work is in a state of 'in progress'. We only painted and replaced balconies and siding on a portion of the complex.

We ask that satellite dishes not be mounted on balcony top rails, especially repaired balconies. The fine for having a satellite dish mounted on a balcony is \$50, followed by \$75, followed by \$100. These fines could be either daily, or for each observation.

Do you have insurance for either liability, personal property, loss of use, loss of rental income? The Association's insurance covers the main property known as common area and limited common area. If there were to be a fire, the Associations insurance would cover the common areas and restore your condominium back to a state of when the complex was built.

For some reason, our weather went from summer to winter and fall only appeared for a few days. When snow is deep enough to require plowing, our property manager will place signs at the entrance to parking lots that will be plowed the next day. Please remove all vehicles during that day. You may park extra vehicles at either of the clubhouse parking lots during this period.

Sincerely,

Richard Garcia
President
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
ANNUAL MEETING
September 19, 2009
Dillon, Colorado**

I. ROLL CALL AND CERTIFICATION OF PROXIES

The meeting was called to order at 10:11 a.m. by Richard Garcia.

Board members present were:

Richard Garcia, President, T106	Mike Kurth, Vice President, C101/S105
Cathy Brosius, Secretary, E106	Paul Hage, Treasurer, BB203/N305/Q205/Z104
Bob Price, Member, G305	Glenn Johnson, Member, S103/S104

Homeowners present were:

Nancy Bain, B103	Nanci Campbell, BB302/U304
Deborah Burg, S301	Priscilla Calahan, B204
Jean Capps, B303	Niki Collier, H306
Bridget Crowe, F304	Brandon Devine, E103
Anthony Dobriski, O203/T302	Glen Egbert, N106
Susan Fiske, N205	Patrick Fogarty, N206/Z105
Erin Griffin, O206	Clifford Hamburg, S303
Laura Hartman, R201	Wanda Hitchcock, C301
Barbara Johnson, S103/S104	Rachel Zerowin, X304
Robert Klea, S201	James Lauletta, J204
Thomas Lorenz, X103	Misty McMillian, E302
Cesar Munoz, J102	Dolores Nelson, N306
John & Mary Regan, A204	Leah Roehrs, I106
David & Rita Kay Ryan, A101	Wayne Ryon, G306
Jeffrey Schramm, I205	Newyne Shadrach, V203
Barbara Slater, E201/I305	Rosie Tronnier, A106
Dan Ulmer, X303	Leo Vroble, X302
Edith Webster & Chris Heer, X204	Carla Rigger, G205

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

II. DETERMINATION OF QUORUM

A quorum or 41% was reached with 48 units represented in person and 39 proxies received.

III. PROOF OF NOTICE

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

IV. APPROVE PREVIOUS MEETING MINUTES

Thomas Lorenz made a motion to approve the minutes of the September 20, 2008 Annual Meeting as presented. Rosie Tronnier seconded and the motion carried.

V. PRESIDENT'S REPORT

Richard Garcia reviewed the completed projects:

1. Balconies – The wood surfaces were scraped and painted. The railings were removed and replaced. The space between the bottom railing and the deck was increased by a few inches to facilitate snow removal. The horizontal top railing was replaced with Trex for durability. Owners were reminded not to attach satellite dishes to the deck, siding or railing; dishes must be on stands.
2. Boilers – The original 35 year old boilers are being replaced with high efficiency boilers. One boiler is for hot water and the other is for heat. There are also new high efficiency pumps which are maintenance free and guaranteed for five years. Albert Amerin developed a system for providing heat and hot water for the building during the replacement process. The copper pipe is being replaced with new fittings and shutoff valves. The work has been completed in F, G, H, J, S, R, V, W, N, O, R and S Buildings and is almost finished in AA and BB Buildings. In the remaining buildings, Albert will do the necessary electrical work over the winter so the buildings are ready to have the new boilers installed in the spring when weather permits. The double buildings which have not yet been done include B, C, D, E, P, Q, R, S, T and U.
3. Gutters – Gutters are being installed on buildings that have had siding replaced.
4. Piping – Replaced all domestic water pipes on the lower level in all buildings. The Clubhouse pipes will be replaced next week. Extra insulation was added to address heat and sound issues.
5. Siding Replacement and Painting – The siding is an unusual size (4' x 9') so it had to be special ordered. It may not be possible to special order it after this year.
6. Stream by Building A – The company that owns the water rights to the stream added a plastic liner to prevent seepage to the buildings below. They also attempted to add a screen but did a very sloppy job. Legally the Association is not allowed to touch it.
7. Landscaping – Glenn and Barbara Johnson did a great job landscaping by AA Building. There is a new sign and light at the entrance.
8. First Floor Units – New fence can be constructed on common area.
9. Satellite Dishes – Dishes must be mounted on a stand and cannot be attached to the siding, railing or deck floor.

Rita Kay Ryan complimented Julian and Martin and the staff for working so well with the owners during the piping project.

VI. FINANCIAL REPORT

A. 2008 Year-End Profit and Loss

1. Income – \$1,512,159 actual vs. \$1,436,668 budget.
2. Expenses - \$1,667,040 actual vs. \$1,507,103 budget mainly due to the price of gas and necessary repairs after the ditch flooded some units.
3. Total - \$154,881 deficit at year-end.

Paul Hage said the Board decided to reallocate some of the Reserve contribution to Operating to recoup the loss.

B. Year-to-Date Profit and Loss as of August 31, 2009

1. Total Income - \$1,169,433 actual vs. \$1,171,657 budget (0.2% under budget).
2. Total Expenses - \$1,076,027 actual vs. \$1,103,697 budget (2.5% under budget).
3. Total - \$93,406 favorable to budget overall. Natural gas costs are down significantly and the new boilers will help reduce consumption going forward.

The Association took out a loan for \$1.5 million to complete several necessary large projects. The loan is now in the construction phase whereby the Association only pays interest on the amount drawn. The work needs to be completed by February 2011, at which time the Association will start paying back principle. The loan has a 10 year term with a 6% adjustable rate.

Tony Dobriski asked if the Alpine Bank loan allows for prepayment if the rate increases dramatically. Paul Hage said there was no prepayment penalty.

Rosie Tronnier asked about the Reserve balance. Paul Hage said the current balance was \$244,191.

Lee Vroble asked if the Board was taking money out of Reserve instead of drawing on the loan. Paul Hage said the Association had to borrow from the Reserve to cover the 2008 year-end deficit. They are also paying for some of the project costs out of the Reserve Fund and at the end of the year before closing the books there will be a draw from the loan to pay back the expenses. This will reduce the amount of interest paid.

Patrick Fogarty asked if there had been any consideration given to solar/thermal heat for hot water and radiant heat. Paul Hage said there was a long payback in this climate. Chris Heer said another Association she belonged to did a study on solar energy. The best return is for buildings with a south facing roofline, which Dillon Valley East is not. The amount of panels needed would only provide a marginal payback.

Thomas Lorenz made a motion to approve the Financial Report. David Ryan seconded and the motion carried.

C. 2009 Year-End Surplus

Paul Hage made a motion to authorize transfer of any 2009 year-end surplus to the 2010 Operating Budget. Glenn Johnson seconded and the motion carried.

VII. COMMITTEE REPORTS

A. Architectural Review Committee

Cathy Brosius said some owners are replacing doors, windows and fences. She reminded owners that doors and windows must be almond in color and the screens must match. White frames are less expensive but must be painted almond. There are also guidelines for satellite dishes and fences. Washer/dryers must be a condensing unit. Owners must submit an application to the Architectural Review Committee for any projects. The application is available on the website. Owners were encouraged to email her with any questions. Her email is also on the Association website.

B. Buildings and Grounds Committee

Barbara Johnson said there has been a tremendous amount of work around the property. She said the owners were very fortunate to have Julian Brodie and his staff. They saved the owners a considerable amount of money.

C. Real Estate Report

Richard Garcia read a report from Sylvia Dowty. Prices have dropped to 2006/2007 levels. The \$8,000 first time buyer incentive has helped prevent further price deterioration. The nationwide market is coming back slowly but it may take several years to get back to previous levels. Dan Ulmer commented that five units closed at Dillon Valley East last week.

VIII. MANAGEMENT COMPANY REPORT

A. Basic Property Management Staff – Future Projects

1. Painting.
2. Siding on nine remaining buildings.
3. Boiler replacement in remaining buildings by mid-July.
4. Irrigation system.
5. Re-evaluate landscaping.
6. Possible addition of a fence by AA and BB Buildings.
7. Removal of some trees that are too close to buildings. They are a fire hazard and can damage the building foundation.
8. Exterior metal doors will be replaced in the coming weeks on A, B, C, X, Y, Z, BB, V and W Buildings that have been painted. Locksets in bad condition will be replaced at the same time. An owner suggested adding peepholes in the doors without glass panels.

B. General Management Comments

1. Owners were asked to make sure their renters know the rules, especially regarding pets.
2. Dan Ulmer thanked Albert Amerin, Julian Brodie, Martin Cenicerros and the other staff for doing a fabulous job at the property.
3. Owners need to have personal contents insurance. Owners who rent should have loss of rent insurance.
4. There have been some problems with bed bugs in X and BB Buildings. One building cost about \$3,000 to fumigate.
5. Dan Ulmer explained that in addition to handling maintenance, Basic collects dues, pays all bills and negotiates contracts on behalf of the Association.

C. Owner Questions and Comments

1. Tony Dobriski asked about unit owner liability for renter damage to common areas or other units. Dan Ulmer explained that the Association insurance provides the first coverage to prevent inconvenience to the other affected owners. Once all required work is completed, the insurance company will work out the claim with the insurance company for the unit that caused the damage. If

the unit owner does not have insurance, the insurance company may come after the owner for payment.

2. Thomas Lorenz said the owners should be made aware of exactly where the Association insurance stops and owner responsibility begins. One way to avoid problems is to get individual insurance from same company that holds the Association policy. Dan Ulmer said owners need to insure from the sheetrock in. Owners who have upgraded need to be sure to inform their insurance carrier.
3. Carla Rigger suggested that the Board negotiate a bulk price for unit entry doors and sliding doors for any interested owners. Advantage Window and Siding replaced all windows and the sliding glass door in a three bedroom unit for \$1,200. It was noted that there is also a tax credit for certain types of energy efficient windows.

IX. ELECTION OF MANAGERS

The term of Mike Kurth expired this year and he indicated he would not be running again. He was presented with a certificate for the Blue Spruce restaurant in recognition of his service on the Board.

There were two open Board seats. Glenn Johnson and Lisa Watkins were nominated by the Nominating Committee. Glenn Johnson introduced himself and provided biographical information. Richard Garcia provided information for Lisa Watkins who was unable to attend the meeting. Thomas Lorenz made a motion to elect the slate of nominees as presented. David Ryan seconded and the motion carried.

X. NEW BUSINESS

A. Excessive Occupancy in Rental Units

Susan Fiske said out of town owners should be informed of excessive occupancy in their units. She asked if management would be willing to inspect units upon owner request. Nanci Campbell asked what could be done about bad tenants. Patrick Fogarty said there should be something specifying occupancy in the lease. Unattended children can be reported to Social Services. Richard Garcia noted that the Association does not control the units and does not have the authority to inspect units for overcrowding. The police can enter a unit based on a report of abuse or drugs. Richard said owners can be notified about problems with renters, can be asked to address the situation and can be fined if there is no action. The process takes 60 – 90 days. Lee Vroble commented that the County defines occupancy by “family” so there is not necessarily a maximum permitted number.

B. Parking for Three Bedroom Units

Barbara Slater stated that it was not fair that three bedroom units do not have an additional parking space.

C. 2010 Dues

Jeff Schramm asked when owners would be notified of the dues amount for next year. Paul Hage said it should be finalized at the beginning of December. He said dues will

most likely be very close to the figure in the letter that was sent to all owners with increases of \$11/studio, \$18/one bedroom, \$23/two bedroom and \$30/three bedroom.

D. Heat

Leah Roehrs said there was no heat in the I Building. This will be investigated.

E. Sprinkler System Timers, Work Warrantees and Copper Pipe Recycling

Mike Kurth read some questions from an owner that were submitted anonymously. The first question was about responsibility for the sprinkler system. Dan Ulmer said the Association was responsible for the sprinkler system and wires. Comcast did damage some systems while working on their new pedestals but they made repairs. There will be an extensive overview and some areas will have to be reworked next year. The owner asked if all contractors and subcontractors warranty their work. The response was that they do. The owner asked who received the funds for recycling the copper pipes and the boilers. Dan explained that the Association normally would have to pay to have the boilers removed from the property. Julian Brodie said the copper piping was worth \$0.22/lb. He traded the pipe for free disposal of several refrigerators which normally costs \$80 per refrigerator.

F. Heat

Brandon Devine said his zone valve started leaking recently and asked when the boiler would be replaced. Dan Ulmer said when shutoff valves are replaced the building system has to be completely drained. Dan asked Brandon to talk to him after the meeting about this issue.

G. U Building Entrance

Nanci Campbell said her entry door area was very unsightly. She has requested that something be done for the last four years but never received a call back. She would like the Board or management company to respond to situations like this. Dan Ulmer said now that the piping project has been completed the staff will start cleaning carpets in the common areas.

H. Owner Contact Information

Barbara Slater asked if the owners could have a directory of all other unit owners. Richard Garcia said the names and legal addresses of owners are available from Basic. Cathy Brosius said this information was available online through the County website. Nanci said she provides all neighboring units with her name and phone number whenever she rents her unit to new tenants so they can contact her if there are problems.

I. Assessing for Damage

Carla Rigger asked if unit owners were being assessed for damage to the common areas. Richard Garcia said any owner reports of damage should be followed up. Some issues have been falling through the cracks.

J. Green Initiative

Patrick Fogarty volunteered to get estimates for thermal/solar systems. He can also get an estimate for window cleaning.

K. Wireless Internet

Rita Kay Ryan asked if there were any plans to install wireless internet for the entire complex. Richard Garcia said he had looked at it and worked with another Association. He determined it would not be cost effective. Cathy Brosius noted that ATT and Verizon had good new technology through their 3G network that is completely mobile.

L. Fire Alarm System

Brandon Devine asked if the Board had considered a fire alarm system for the entire building. Richard Garcia the Board had not. Brandon said he worked for Allied and he could look into it.

M. Fences

Rosie Tronnier asked if there was a recommended contractor for replacing fences. Richard Garcia said there was not and owners could use any contractor.

N. Fines for Delinquencies

Jeff Schramm asked if the fines had been raised as discussed at a previous Board meeting. Richard Garcia said this was still under discussion by the Board.

O. Hybrid Vehicles

Lee Vroble asked how the Association would handle plug-in hybrid cars. Richard Garcia said the property was not set up for plugging in vehicles.

XI. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, September 18, 2010 in the Dillon Valley East Clubhouse, time to be determined.

XII. ADJOURNMENT

Thomas Lorenz made a motion to adjourn at 12:30 p.m. David Ryan seconded and the motion carried.

Approved By: _____

Board Member Signature

Date: _____

Dillon Valley East Condominium Association
Budget Meeting
October 5, 2009

Call to Order

The meeting was called to order by Richard Garcia at 6:40 PM.

Budget Committee members present were: Richard Garcia, Paul Hage, Bob Price, Cathy Brosius.

Board member present: Lisa Watkins

Representing Basic Property Management were: Candice Ramage, Dan Ulmer, and Gary Nicholds

The Budget Committee met to discuss and plan the budget for year 2010. Because of the \$1.5 million dollar loan, dues increase would be to pay off the loan. Had the loan not been received, an increase in dues may have been 10% or more of current dues.

Further discussion will be on the rate increase by property management. The increase will not affect the planned dues increase for year 2010.

Estimated dues increase for year 2010

Studio	\$10.00
1-Bedroom	\$18.00
2-Bedroom	\$23.00
3-Bedroom	\$30.00

Adjournment

A motion to adjourn was at 8:00 PM. The motion was seconded and carried.

Recording Secretary – Catherine Brosius

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
October 21, 2009
Dillon, Colorado**

I. CALL TO ORDER

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

Board members present were Cathy Brosius, Bob Price, Sylvia Dowty, Lisa Watkins and Glenn Johnson.

Owners Lee Vroble (X302) and Darrin Weaver (A104) were present.

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

II. OFFICER ELECTION

Cathy Brosius made a motion to elect Sylvia Dowty as Vice President. Bob Price seconded and the motion carried. Sylvia Dowty then presided over the meeting.

III. APPROVAL OF PREVIOUS MEETING MINUTES

Cathy Brosius made a motion to approve the September 19, 2009 Board Meeting minutes as presented. Glenn Johnson seconded and the motion carried.

IV. COMMENTS FROM THE FLOOR

Darrin Weaver said he had paid to have the shut off valves replaced inside and outside his unit but only the outside valve was replaced. His zone valve now needs to be replaced as he has no heat and he did not feel he should have to pay for the draining of the building a second time. Dan Ulmer said he reviewed the contractor's documents and the billing and confirmed that Darrin did pay for two shut off valves. Per the contractor's notes, there was "no deadbolt and no access". Julian Brodie said he could try to develop a fix to get through the winter; he does not want to drain the building now due to the cold temperatures. Since there is one new shutoff valve and the old one is still working it should be possible to shut off the unit and replace the zone valve without draining the building. The second shutoff valve can be replaced next year when the boiler is replaced in the building.

The owner of Y201 emailed Richard Garcia about the replacement of their patio door. The owner was upset about poor communication with the contractor. Dan Ulmer explained that the owner's complaint related to the contractors setting up an appointment to access the unit and was not related to the work that was done. The action that the unit owner wants is for the Board to chastise the contractor. The Board agreed that asking a contractor to make his schedule fit the schedule of an owner was not practical but he

should insure that good communication with unit owners is being facilitated. No further action was required.

V. FINES AND HEARINGS

The owner of Unit U101 was fined a total of \$125 for their tenant's failure to remove a satellite dish mounted to building exterior. The tenant put the dish on a tripod last Monday but still needs to fill the holes in the siding and attach the cable to the building exterior. The tenant has verbally agreed to take care of these issues. The owner will be fined \$100 on 10/23/09 if the remaining work is not completed by that time. The owner will be reminded of the deadline by phone tomorrow.

VI. MANAGING AGENT'S REPORT

A. Property Manager's Report

1. Installed bird netting on all buildings that have been painted.
2. Removed all abandoned bicycles.
3. Painted swimming pool deck.
4. Put out sand drums.
5. Installed mats in entryways.
6. Installed new lock box bar.
7. Touch up painting is ongoing.
8. The water pressure for the domestic water lines will be reduced.
9. The loader has been reserved for the winter and will be picked up by November 1st.
10. Punch list items related to the pipe replacement project are being completed.

B. Delinquency Report as of September 30, 2009

1. W201 – the unit is now owned by the Association.
2. B101 – foreclosure set for 10/23/09.
3. R204 – foreclosure set for 10/23/09.
4. A206 – the owner has been deported. The unit is scheduled for foreclosure but the owner must be serviced with notice. This can be done in the newspaper if she cannot be located.
5. G106 – lien has been filed and sent to the attorney.
6. Z201 – lien has been filed. The unit is now rented and all rent will be used to pay off the balance.
7. BB104 – the owner is making payments.

The total delinquent balance was \$47,716. Bob Price suggested including a bad debt allowance in the next budget.

VII. TREASURER'S REPORT

Candy Ramage reviewed the financial status as of September 30, 2009.

A. Year-to-Date Profit and Loss as of September 30, 2009

1. Total Income - \$1,315,691 actual vs. \$1,317,895 budget (0.2% under budget).
2. Total Expenses - \$1,163,827 actual vs. \$1,217,407 budget (4.4% under budget).
3. Total - \$51,377 favorable to budget overall.

Dan Ulmer said the two most recent gas bills were about \$10,000, down from an average of \$25,000 – 30,000 per month. The savings is due to the new high efficiency boilers, lower rate per therm and a high vacancy rate throughout the property. Bob Price requested that management provide a month by month comparison with last year to help identify how much is due to the rate versus consumption by the next meeting.

B. Reserve Fund Profit and Loss

1. Total Income - \$41,817
2. Total Expenses - \$118,988
3. Net Income – (\$77,172)

Bob Price made a motion to approve the Treasurer's Report for September 2009. Cathy Brosius seconded and the motion carried.

VIII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said they tried to level the ground in front of the Clubhouse. They would like to put up some fencing to hide the pipes and possibly some flower pots or perennials in front of the fence. The cost for the fence will be about \$500 and the dirt will be about \$1,000. He estimated the total cost would be \$2,000 – 3,000 to finish the project. The totem poles will be put up in the spring. Bob Price and Cathy Brosius said they would prefer a tan or dark brown fence instead of white.

IX. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said the owner of Unit W302 said he called the management company about painting his windows when the building was being painted because he cannot reach them. He should be directed to contact the contractor who will be painting the building exteriors next year.

X. OLD BUSINESS

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

Glenn Johnson said he inspected the books and they were all in good order.

B. Update on Pipe Replacement in 1st Level Units

There have been some issues with texture and colors. The pipe project has been completed in all buildings except the Clubhouse.

C. Loan Update

1. Painting – completed.
2. Siding – completed.
3. Balconies – completed.
4. Doors – ongoing. Some of the doors will be installed next year.
5. Roof Gutters – very close to completion.

Bob Price asked for a spreadsheet summarizing the budgeted versus actual costs for the projects. Candy Ramage said she was working with Albert Amerin on this project and should have it completed by next week. She will email it to the Board.

D. W201 Update

Sylvia Dowty said there had been two showings with good comments but there had not been an offer yet. The unit has only been on the market for one week.

XI. NEW BUSINESS

A. 2010 Budget

Bob Price said Budget Committee met a couple of weeks ago. Bob recognized management for their efforts during a difficult year. Highlights of the budget included:

1. The total is approximately 5% less than 2009.
2. The budget provides for a \$345,000 increase in the Reserve balance.
3. The 3% contractual increase will be waived by management for next year. These funds can be used for irrigation repair and landscaping.
4. The total proposed Operating Budget is \$1.6 million.
5. Dues will increase 3 – 4% per the letter that was sent to owners previously. This increase will be used to cover the carrying costs of the loan.

Cathy Brosius made a motion to accept the 2010 Operating Budget as presented. Glenn Johnson seconded and the motion carried.

B. Management Recognition

As this will be Dan Ulmer's last Board Meeting, Dan was presented with a letter of recognition from the Board for his commitment and leadership over the past 31 years. Bob Price read the letter aloud. A copy is attached to these minutes.

XII. SET NEXT MEETING DATE

The next Board Meeting will be Wednesday, November 18, 2009 at 7:00 p.m. in the Dillon Valley East Clubhouse.

XIII. ADJOURNMENT

A motion was made to adjourn at 8:10 p.m. The motion was seconded and carried.

Approved By: _____

Board Member Signature

Date: _____

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
November 18, 2009
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, Lisa Watkins, Paul Hage and Glenn Johnson.

Owners Lee Vroble (X302) and Carla Rigger (G205) were present.

Representing Basic Property Management were Candy Ramage, Julian Brodie and Gary Nicholds. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Cathy Brosius made a motion to approve the October 21, 2009 Board Meeting minutes as presented. Glenn Johnson seconded and the motion carried.

III. COMMENTS FROM THE FLOOR

Carla Rigger requested permission to vent her existing dryer through the ceiling of her living room. Richard Garcia said it might be feasible but she would have to provide professional plans from an engineer that have been inspected and certified by a Building Inspector. Even with that information, he did not think the Board would agree to permit a penetration of the exterior wall. Cathy Brosius said there might be a County regulation for the maximum run for a vent pipe. Richard reminded Carla that she was responsible for having her unit inspected by management by 12/1/09 to confirm the non-compliant dryer had been removed or replaced with a compliant one. If this is not done, fines will start to be assessed 12/2/09.

Julian Brodie was asked to determine the requirements for the vent pipe. Paul Hage noted that a dryer vent would result in lint on the side of the building. The Board wanted some time to consider if it would provide guidelines for venting dryers through the side of the building.

IV. FINES AND HEARINGS

There were no owners present for fines or hearings.

V. MANAGING AGENT'S REPORT

A. Property Manager's Report

1. Salt buckets have been put out. Lisa Watkins requested a bucket of sand or salt by Building F.

2. There was a mold problem in N103 due to a sewer backup that was not discovered for months. The mold problem has been resolved.
3. The Fire Department will inspect all buildings, boiler rooms, fire extinguishers, smoke alarms and common areas on Saturday.
4. Holiday lights are being put up.

B. Delinquency Report as of October 31, 2009

1. W201 – the unit is owned by Association and is up for sale. Paul Hage suggested renting it in the short term to cover the dues. Gary Nicholds will talk to Sylvia Dowty and the Board will discuss by email or at the December dinner meeting.
2. B101 – in foreclosure. If the unit closes, the Association should be able to collect at least \$3,156.
3. A206 – in foreclosure. A check for \$1,944 was received.
4. R204 – in foreclosure. If the unit closes, the Association should be able to collect at least \$2,436.
5. BB104 – ready to send to the attorney.

Paul Hage said the delinquent balance was almost \$60,000, about double what it was in years past. The Board agreed to discuss the late fees and interest rates.

VI. TREASURER'S REPORT

Paul Hage reviewed the financial status as of October 31, 2009.

A. Year-to-Date Profit and Loss as of October 31, 2009

1. Total Income - \$1,462,184 actual vs. \$1,464,133 budget (0.1% under budget).
2. Total Expenses - \$1,326,878 actual vs. \$1,385,668 budget (4.2% under budget).
3. Total - \$135,306 favorable to budget overall.

Paul Hage pointed out the Operating account owed \$171,000 to the Reserve Fund from last year.

Variances:

1. Washer/Dryer income – \$3,852 under budget.
2. Interest on Loan – \$7,245 under budget.
3. Accounting Review – \$8,000 under budget. The review has been tabled until 2010.
4. Boiler Maintenance – \$9,736 under budget.
5. Basic Maintenance – \$11,835 over budget for the lift to install netting and for purchase of new light fixtures.
6. Damage Claims – \$16,560 over budget due to floods and sewer backups.
7. Natural Gas – \$33,319 under budget.

Bob Price made a motion to approve the Treasurer's Report for October 2009. Glenn Johnson seconded and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

Glenn Johnson said cleaning up from the summer was ongoing.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius said she had received a couple of inquires about replacing front doors. She provided the specs to the interested owners for flat or six panel doors. Bob Price said the Board should require a solid core door made of fiberglass or metal. One owner with white windows plans to paint in the spring. Richard Garcia said an owner had asked if he would be permitted to add a lock-off to his unit. Richard told him he would have to provide plans that were drawn professionally and approved by an engineer.

IX. OLD BUSINESS

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

Glenn Johnson said he inspected the books and all were in good order, except the Security Inspection book, which was not complete.

B. Update on Pipe Replacement in 1st Level Units

Julian Brodie said he planned to wait until spring to do the pipe replacement in the Clubhouse.

C. W201 Update

The unit is for sale and there have been two showings.

X. NEW BUSINESS

A. Report Delinquent Dues to Credit Reporting Agencies

Gary Nicholds said he met with a law firm from Denver and asked if they would recommend reporting delinquent owners to a credit agency. The attorney recommended against it. She was concerned about accurate tracking of such

accounts. If an owner pays off all delinquencies, the Association would be obligated to report back to the agency or risk recourse for ruining the owner's credit rating. Paul Hage suggested adding a column to the Delinquency Report so the Board could help to track this. Cathy Brosius noted that some of the delinquencies might be eliminated once the credit card payment system is set up. Gary Nicholds was asked to continue with the investigative process.

Bob Price thought there were collection agencies that might be willing to purchase the debt at a discount. Gary Nicholds will research this option as well.

B. Natural Gas Report as Compared to Previous Year

Candy Ramage provided detailed information on the natural gas prices and usage by building. Anomalies have been identified for Buildings H and J and they are being researched. Richard Garcia said he would authorize Julian Brodie to purchase a device that will determine if there is a dial tone on the phone lines for the meters because each Qwest service call is \$98.

C. Project Status Update by Individual Projects

Candy Ramage provided a detailed report of all the projects, amount budgeted and amount spent. Two projects were over budget; piping was over by \$9,147 and siding was over by \$4,214.

1. Boilers - Some of the smaller buildings will get two smaller boilers instead of one large one but there should be a \$10,000 savings for hot water tanks that have not been needed.
2. Piping - 6% over budget overall and all buildings are done except the Clubhouse.
3. Balconies - slightly under budget.
4. Siding – over budget more than 100% for each building. Bob Price noted it might not be possible to do all the remaining buildings. Gary Nicholds was tasked with re-estimating the cost in the spring and the Board can make a decision at that time about how many buildings the Association can afford.
5. Exterior Doors – some have been installed but Candy did not have specific information for each building or labor costs. Gary was directed to ask the contractor to install as many doors as possible this fall, weather permitting. Gary will do a count of the remaining doors to be replaced and compare it to the remaining inventory of new doors so the project is ready to go in the spring.
6. Gutters – spent \$19,950, which matches the contract, although Paul Hage thought the contract was for all buildings. All buildings that were scheduled to be painted (A, B, C, X, Y, Z and BB) were done. Buildings V and W were not done and some buildings were done last year. Gary will determine which buildings remain to be done.
7. Asphalt – nothing done yet.

Paul Hage noted that the detailed reports for this project fell into the category of extra chargeable work for Basic. The bank required a 1.5% management fee for some of the projects. Paul said he would review each contract to see if the fee was included and will calculate how much Basic will be paid for this work this year and next year.

Gary Nicholds said there was a list detailing each building and the number of pieces of new siding for each. He will provide it for the next meeting.

D. Holiday Hours

1. Thanksgiving Day – Closed.
2. Christmas Eve – 9:00 a.m. – 4:00 p.m.
3. Christmas Day – Closed.
4. New Year's Eve – 9:00 a.m. – 4:00 p.m.
5. New Year's Day – 12:00 p.m. – 9:00 p.m.

E. Late Fees and Interest Rates for Delinquencies

Cathy Brosius said the Board revised the Bylaws at the Annual Meeting two years ago. The Board is authorized to set and change late charges and the interest rate. The interest rate could be arbitrarily set and changed or it could be tied to the prime rate plus some amount. The goal is to be fair but to be onerous enough that owners will consider putting their debt on their credit card instead of leaving it with the Association. The late fee is currently \$10 on the 20th if no payment has been made. The interest charged at the end of the month is 12%. Cathy recommended increasing the interest rate to 18%. Gary Nicholds said per the attorney the interest rate could be up to 24%. Richard Garcia proposed a \$300 late fee the first month and interest only in subsequent months. Richard will determine if the Association would receive 100% of the late fees and interest if a unit forecloses. Cathy will email the Board some proposals for fine structures. She commented that per her understanding, any outstanding balance should be charged a late fee. Candy Ramage will research this issue.

F. Financial Review

Paul Hage asked Mike Kurth for a recommendation for an auditor and he recommended Brad Stuhr. There are three possible levels for the financial review, including a compilation, a review or a full audit. Brad Stuhr recommended a review of the 2009 books after tax season. It would cost \$3,000 – 4,000 and there is \$8,000 budgeted. Bob Price suggested getting a bid and scope of work for both a review and an audit. Paul will get bids from Brad Stuhr and the accountant in the Basic office.

XI. SET NEXT MEETING DATE

Richard Garcia will email the Board the next meeting date.

XII. ADJOURNMENT

Paul Hage made a motion to adjourn at 8:55 p.m. Bob Price seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature

Notes from the Prez

Greetings

Holiday Clubhouse Hours:

Christmas Eve	9:00 A.M. – 4:00 P.M.
Christmas Day	Closed
New Year's Eve	9:00 A.M. – 4:00 P.M.
New Year's Day	12:00 P.M. – 9:00 P.M.

Ski season is upon us and the parking situation will again be a problem during the weekends as guests arrive and do not understand our parking situation and rules. Owners – please inform your renters and guests that parking is limited and only two vehicles per unit are allowed to park in the respective parking lot. If a vehicle is parked without a parking permit or in the wrong lot, it is subject to immediate towing at the owner's expense.

We understand the economy is impacting everyone. Our delinquencies are at an all time high. The Board of Managers will soon increase the late fee and percentage rate to encourage owners to not skip their dues. When dues are not paid, the rest of the owners take on the debt by our reducing the quality of service provided. We are working at allowing credit card usage for dues payments. A usage fee will be added when a credit card is used.

The pathway along Straight Creek Drive gets icy in the late afternoon, so please be careful in those locations.

Our domestic hot water pipe replacement project is complete with exception the clubhouse. We had few complaints and are sure we will not have water leaks in the ceilings of the first floor units.

Snow Removal – After a snowfall of three inches or more, look for large orange signs at the entrance to your parking lot for the next two days. The signs will tell you that snow removal will begin and you must remove your vehicle by a certain time. If you leave Dillon and one of your vehicles is left behind, park it at the clubhouse to insure it will not be towed. Check in with the clubhouse attendants so they can know your vehicle is there.

Fireplace Usage: Please remember to not place old ashes from fireplaces in paper containers or recent ashes into dumpsters.

The Budget for 2010 has been approved by the Board of Managers. You may review the budget by contacting Basic Property Management at 970-668-0714 and ask for a copy of the budget. During our January Board meeting you may challenge the budget. The Budget can be denied with a 66% vote of the membership.

Monthly Dues: You will receive new coupon books for dues payments in the next two weeks. For those who have automatic deductions, the change will be automatic.

Monthly dues for 2010 will be:

Studio	\$208
1-Bedroom	\$342
2-Bedroom	\$429
3-Bedroom	\$556

Dogs: Yes, again loose dogs and owners who refuse to either walk their dogs or pick up their droppings is a problem with the cold climate. I apologize for bringing up the subject, but there are a few dog owners that cause most of the dog problems. There is an immediate \$50 fine for not picking up after your dog.

Your Board of Managers will not have a formal meeting in December. Have a Merry Christmas and a Happy New Year.

Richard Garcia
President
Dillon Valley East Condominium Association

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
December 16, 2009
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, Cathy Brosius, Paul Hage, Sylvia Dowty and Glenn Johnson.

Representing Basic Property Management were Gary Nicholds, Julian Brodie and Martin Cenicerros

II. APPROVAL OF PREVIOUS MEETING MINUTES

Cathy Brosius made a motion to approve the November 18, 2009 Board Meeting minutes as presented. Glenn Johnson seconded and the motion carried.

III. SET NEXT MEETING DATE

The next Board of Managers meeting will be January 20, 2010 in the clubhouse at 7:00 PM.

IX. ADJOURNMENT

Paul Hage made a motion to adjourn at 7:05 p.m. Cathy Brosius seconded and the motion carried.

Approved By: _____

Board Member Signature

Date: _____