

**Lake Forest Condominium Association
Annual Association Meeting
Saturday, July 3, 2010**

The Annual Meeting of the Lake Forest Condominium Association was held at the Summit County Commons in Frisco. Present were 39 owners attending the meeting representing 22 units and 8 proxies were received fulfilling the quorum requirement for an official meeting. President Dave Haraway called the meeting to order at 3:05 PM. The Board of Directors was introduced and attending owners introduced themselves.

Minutes. *The minutes from the July 3, 2009 Annual Meeting were approved (unanimous).*

Property Management Report.

Dave Haraway introduced Mike Castaldo from Premier Property Management. Premier is the site management company at Lake Forest. Dave summarized maintenance activity during the last year.

A drainage correction has recently been completed at the Building A stairs to channel water from the stairwell and utility room. The problem was similar to the prior year work required on Building D. The rock surface will be completed in the next week.

A correction using wood and screening was done on the roof peaks to block bird access. An owner indicated he observed birds trying to nest on the outside areas, but they were no longer entering the building.

Last fall a trash truck slid out of gear and hit the end decks on Building F. The damage was repaired by a contractor retained by the trash company and paid for by their insurance.

The lower siding on the lakeside of Buildings A through D had deteriorated from moisture from roof drainage and snow resting against it during the winter months. The siding was replaced last summer using a composite material as an experiment. The appearance was similar to the existing siding and it had held up well since the installation.

Two spa hot tub covers were replaced from normal wear and tear and the third cover had to be replaced after it was damaged.

A large aspen tree had been chopped down during the winter in front of Building A by an unknown person. The planting area has been prepared for a replacement tree and it was scheduled to be installed in the next few weeks.

The entrance rock wall from the grill to Building F is showing signs of failure. One rock has fallen. Bids were being obtained to fix the wall. There was a discussion of prior repair work on the wall and the potential of water behind the wall that is causing the problems.

The Association is planning a repainting of the project in 2011. Bids were being obtained for budget purposes and to define the scope of the paint work. There was a question regarding if the deck boards would be repaired or replaced prior to painting. There was a discussion regarding owners painting and maintaining the decks that will be on the agenda of the next Board of Directors meeting. The current policy is to not allow owner maintenance due to consistency and liability concerns.

An owner commented that dead trees in the Forest Service land around Lake Forest posed a risk of falling on to the buildings. The Association was investigating how to have the trees safely removed. Some of the trees are on the Colorado Department of Transportation (CDOT) property. The Forest Service property borders the entry wall and Building F. The CDOT property borders Building E.

Information including financial statements, Association documents, and meeting minutes were available at www.lakeforestfrisco.com.

There had been a negotiated reimbursement of \$1,000 to the Unit 1600 owner for utility costs accrued over the years for roof heat tape connected to the utilities of the unit. The heat tape was connected to a common utility feed in 2009. The situation was provided as an example of professionally developed solutions compared to problems with prior in house solutions.

Financial Report. Treasurer Gary Cushner was unable to attend the meeting. President Dave Haraway presented a financial report. The Association is about \$10,000 better than budgeted to date in 2010. The snow removal expense was lower this year from reduced snow fall. A cost reduction change from a financial review to a compilation of the 2009 financial records saved approximately \$1,500. There was a discussion if the savings justified not have a financial review for the protection of the owners. The Association utilized short-term borrowing secured by the unit in 2009 that was paid off in 2010 to accomplish the maintenance projects last year. The total 2010 income was allocated 28% for property management services and repairs, 4% for financial and legal expenses, 27% for utilities and cable TV, 6% for insurance, and 2% for other items including the annual prepayment discount. 33% of the 2010 income is allocated to future reserves that include painting in the near term and roof replacement in the long term.

Reserve Funding. Dave Haraway passed out to owners a January 2010 summary of the reserve fund requirements for the Association. The summary will be added to the financial section of the website. The concept is to set aside funding each year for future replacement of major items including painting, roof replacement, and other projects. An example was the painting projected at \$130,000 with a life of five years. The annual allocation for painting is \$26,000 to accumulate sufficient funding. The unit owned by the Association is included within the reserve plan funding. The value of the unit can be accessed through short-term borrowing that can be utilized to cover negative cash balances in the fund plan. There was a discussion concerning that siding replacement is not part of the current reserve fund. The cost of the siding replacement has been estimated at \$1.2 million. The current proposals indicate with quality painting the siding does not need to be replaced at this time. The 2011 painting work will be used to determine when and if siding replacement should be included in the reserve funding. There was an owner suggestion to consider phasing of the major jobs like painting to spread out the financial impact.

Board of Directors Election. There were 2 three year positions and 1 one year position available on the Board. Board member Ron Joy had resigned from the Board for health reasons. Terms on the Board are for three years and there are five meetings per year. The terms of Bob Bruyn and Marshall Blaney were up for election. Both indicated a willingness to remain on the Board. Nominated to the Board were Marshall Blaney (C-103) and Bob Bruyn (F-205). There were no other owners interested in the available position at this time. The election of Marshall and Bob was approved by acclamation.

Other. An owner expressed his appreciation of the recycling efforts and the new trash facility. There was a question on mulch replacement. The long-term plan was to switch to pea gravel. Until the change, owners can replace mulch in front of their units using a similar type wood product. Recent owner mulch replacement has used shredded mulch available in bags from Wal-Mart. It was indicated an owner had suggested changing of the annual meeting to a different season rather than during the 4th of July weekend. By a show of hands those attending indicated a preference to continue the meeting during the 4th of July weekend. There was an appreciation voiced to the Board for their service.

The meeting was adjourned at 4:20 PM. All owners were invited to attend the BBQ potluck following the meeting at the Spa Area at 5:30 PM.