

**Lake Forest Condominium Association
Annual Association Meeting
Saturday, July 7, 2012**

The Annual Meeting of the Lake Forest Condominium Association was held at the Summit County Commons in Frisco. Present were 38 owners attending the meeting representing 22 units and 11 proxies were received for a quorum. President Dave Haraway called the meeting to order at 3:07 PM. The Board of Directors was introduced and attending owners introduced themselves.

Minutes. *The minutes from the July 2, 2011 Annual Meeting were approved (unanimous).*

Financial Report. Treasurer Gary Cushner presented the financial report. Gary reported the 2012 financial status is good with lower expenses due to reduced snow fall, lower utility usage, and reduced expenses. The current 2012 projection is a surplus of approximately \$15,000 at year-end. The lower utility costs are from the installation of LED lighting and warmer temperatures. The cost of the LED lighting is expected to be recovered in approximately one year through lower utility costs and the rebates taken. An approval of a line of credit with Alpine Bank is pending to replace the existing line with the Bank of the West. The line of credit is utilized to fund reserve fund projects while retaining stable assessments. The final assessments for 2013 will not be determined until November, but the focus of the Board is to maintain assessments near the current level.

Owners were encouraged to review and comment on the budget when it is sent out near the end of the year. Owners can contact board members via email. The website www.lakeforestfrisco.com includes financial information and reserve fund forecasts.

Property Management Report. Dave Haraway introduced Mike Castaldo from Premier Property Management. Premier is the site management company at Lake Forest. Mike indicated all major 2012 projects have been completed except for the Building D foundation drainage work. The planned upgrade of the lower Buildings A to D gardens was deferred due to the cost of the foundation drainage repairs around Building D. The replacement of the LED lights, in addition to the utility savings, also reduced the time to replace lights and provided improved lighting. The asphalt parking lot has had a seal coat applied and asphalt cracks filled. Mike noted a potential problem from roof ice hitting gas meters that required replacement by Xcel. Xcel has not indicated any action was required at this time. The cost of protective meter roofs would be around \$6,000. The owners expressed an appreciation to Mike for the job he performs for the Association.

Line of Credit. There was an additional clarification of the line of credit for the Association. The line is secured by the unit owned by the Association and used to access temporary cash flow to complete major projects. The income from the unit owned through long-term leases provides a greater return on the equity reserves of the Association than holding cash on deposit. The use of the line of credit is temporary with the long-term budget of the Association developed to allow full repayment of the line. In addition to the security on the line by the unit, the line is also secured by the revenues of the Association as budgeted for the repayment. Using the revenue as security was approved by the majority of the ownership as required by the Declaration. Some owners expressed their concern if the line of credit was not utilized as intended and suggested it be closely monitored by the ownership each year. It was noted the role of the line of credit is critical in the long-term planning to maintain consistent dues, as reported in the financial report, each year.

Future Projects. The LED light replacement project became a major project that has a cost return of no longer than two years and expense savings in future years. The recovering of cost was a prime factor in the Board approval to install the lighting in January 2012. The garden project in front of

Buildings A to D that has been deferred is intended to improve the drainage away from the building to reduce potential long-term damage. The unit owned by the Association was improved to enhance its appeal for the long-term lease in generating income to the reserves. The painting project in 2011, with its proper applications of materials, has improved the visual appearance of the siding and perhaps extended its useful life. During the painting project the building entryways were improved to enhance their appearance. Options regarding replacement of the concrete drain pans including heating elements or the contour of the parking areas to enhance drainage were under consideration. The spa tubs had reached the end of their useful life and the Board was considering a replacement of one spa per year for the next three years. The upper decks for all units except for 16 ground floor units were showing initial failure of the wood surface. The cost to replace the decks utilizing synthetic low maintenance materials and to powder coat the railing to reduce maintenance was beyond the scope of the projected budgets and would require a special assessment. Following discussion, the indication of the ownership was the decks should not be replaced, but have regular maintenance. Dave noted the total foundation excavation projects to date have cost \$62,000 reducing reserves for other projects. The best information known to date, is with the completion of the work of Building D, the foundation drainage issues have been resolved. Another past project was the enclosed trash facility that cost \$30,000. The rock wall along Building F and in front of Building A had been repaired to correct drainage issues causing the wall to collapse. The Association wrote a letter to Colorado Department of Transportation requesting a noise wall be constructed between Lake Forest and I-70. The basis was the extension of the Frisco exit acceleration lane changed the traffic noise after the construction of Lake Forest. An earthen berm was suggested. No response has been received.

Pet Policy. The meeting information included a draft update of the Lake Forest Pet Policy for owner comment. There was a clarification of a “visiting pet” was intended to allow a short-term visit of a few hours while the owner was in the unit. The Documents of the Association only allow owners to have pets and only one pet without approval of the Association.

Board of Directors Election. There were two positions available on the Board. Nominated were Gary Cushner, Doris McFeeters and Dave Haraway. By secret ballot Doris McFeeters and Dave Haraway were elected to the Board. It was noted the elections results were the same based on the vote of the owners attending and were not affected by the proxies for the meeting.

Other. There was a question regarding how to conduct future board elections. The Board would consider the topic at its next meeting. The property next to Lake Forest that is Forest Service land continues to be considered for land trades and development of some form. There was a suggestion to encourage more social gatherings of the ownership at the Association. Information was available at the meeting regarding emergency notification in Summit County and pet evacuation.

The meeting was adjourned at 4:17 PM. All owners were invited to attend the potluck following the meeting at the Spa Area. The hamburgers and brats will be provided by the Association. Premier provided beer and soft drinks.