

**LAKE DILLON CONDOMINIUMS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
January 12, 2012**

**I. CALL TO ORDER**

The meeting was called to order at 3:05 pm.

Board members in attendance were:

Sue Donalson, Member

Board members in attendance via telephone were:

Forrest Scruggs, President

Walt Spring, Treasurer

Scott Roper, Secretary

Chris Ansay, Member

Brenda Dee, Member

Representing Summit Resort Group were Kevin Lovett and Deb Borel. Peter Schutz was in attendance via telephone. Guest, John Holtman, CPA & LDC Accountant, was also in attendance via telephone. A quorum was present.

**II. OWNERS FORUM**

Notice of the meeting was posted on the website.

**III. APPROVE PREVIOUS MEETING MINUTES**

Chris made a motion to approve the minutes from the November 11, 2011 board meeting with changes. Scott seconded and the motion carried. Chris made a motion to approve the minutes from the December 8, 2011 board meeting with changes. Brenda seconded and the motion carried.

**IV. FINANCIAL REPORT**

- Peter gave the December 31<sup>st</sup> Financial report. He noted the current balances in the asset account and also noted that the monthly telephone expense is now costing about \$130/mo after removing a number of incoming lines. It was also noted that due to a number of extraordinary expenses the transfer from operating to the reserve account had not been made for eleven months resulting in a liability on the balance sheet.

The financial report was reviewed and accepted.

Forrest made a motion that the association forgive the \$23,100 debt reflected on the balance sheet that the operating account owes the reserve account. Brenda seconded and the motion carried.

**VI. OLD BUSINESS**

**A. Distribution of Refund**

- a. John Holtman discussed his opinion of tax impact to the association regarding distribution of refund to homeowners from the sale of unit 107. He along with Summit Resort Group recommended that LDC Board obtain

another opinion from a tax attorney or CPA regarding tax liability. Forrest knows someone and will seek their advice and report to board.

- b. The association will give no tax advice to homeowners, but will recommend the homeowner speak to their tax attorney or CPA.
- c. SRG will write a letter to the homeowners with the following information:
  - i. The sale of unit 107 is complete.
  - ii. Net proceeds were \$222,796.
  - iii. \$100,000 will be kept in reserves for future association improvements or repairs. The additional money (\$122,796) will be distributed to homeowners in the amount of \$3,508 for a one bedroom unit and \$7,016 for a two bedroom unit.
  - iv. The letter will state that the association is taking no tax position as far as individual homeowners are concerned. Homeowners are recommended to obtain their own tax advice.
  - v. Based on conversation with John Holtman, board is seeking a second opinion regarding association tax liability, and will meet again on February 9, 2012.
  - vi. Dependent upon investigation of any tax consequence to the HOA, there are two options planned for distribution. They are as follows:
    - 1. Credit towards reserves, which will eliminate owner reserve contribution in their dues until credit is used.
    - 2. Check in the amount of refund noted above, depending on size of unit.
  - vii. Owners will be notified by February 15, 2012 and should advise SRG on how they would like to receive the distributed funds.
- d. Walt Spring made a motion, in accordance with discussion at the 2011 Annual Owner Meeting, to divide by 35 for distribution (unit 107 to be excluded). Scott seconded and the motion carried.

## **VII. NEW BUSINESS**

No new business

## **VIII. NEXT MEETING DATE**

The next Board of Directors meeting will be on Thursday, February 9, 2012 at the office of Summit Resort Group.

## **IX. ADJOURNMENT**

With no further business, Brenda adjourned the meeting at 4:05 pm with a motion and a second by Chris and the motion carried.

Approved By: \_\_\_\_\_

Board Member Signature

Date: \_\_\_\_\_