

**LAKE DILLON CONDOMINIUMS
ANNUAL HOMEOWNER MEETING**

**August 9, 2008
Dillon, Colorado**

I. CALL TO ORDER

The meeting was called to order at 10:10 a.m.

Board members present were:

Forrest Scruggs, President, Unit 209	Dave Love, Treasurer, Unit 302
Marilyn Yeager, Secretary, Unit 105	Lynn Berggren, Member, Unit 108
Jim Swift, Member, Unit 201	Carl Botti, Member, Unit 104

Owners present were:

Chris & Tonnie Ansay, Unit 102	Carne Cunningham, Unit 106
Mary Taddiken, Unit 110	Shirley Malkin, Unit 111
Wilda Swift, Unit 201	Walt Spring, Unit 202
Mike Wolf, Unit 206	Steven Roper, Unit 207
Gaylord & Sylvia Kindschy, Unit 210	Walter & Diane Wittowski, Unit 212
Jay Budnick, Unit 301	Diane Love, Unit 302
Suzanne Donalson, Unit 304	Patricia Degner, Unit 305
Dick and Dona Padrnos, Unit 306	

Proxies were received for Units 101, 103, 109, 203, 204, 208, 211, 303.

Representing Summit Resort Group were Peter Schutz, Sandy Greenhut and Bernie Romero. Erika Krainz of Summit Management Resources was recording secretary.

II. PROOF OF NOTICE

Notice of the meeting was sent July 9, 2008 in accordance with the Bylaws. A copy was included in the meeting packet.

III. ROLL CALL

With nineteen units represented in person and eight proxies received a quorum was reached.

IV. APPROVE PREVIOUS MEETING MINUTES

Diane Wittowski made a motion to approve the minutes of the August 11, 2007 Annual Meeting as presented. Mike Wolf seconded and the motion carried.

V. TREASURER'S REPORT

As of July 31, 2008 the Association was operating \$1,472 (2%) over budget. The cash balance was \$3,909. Significant variances to budget included:

1. Insurance - \$3,136 under budget.
2. Water and Sewer - \$1,080 under budget.
3. Snow Removal - \$1,380 over budget.
4. Repairs and Maintenance - \$1,213 over budget.

The Capital Reserve balance was \$87,874.

The Association has locked the price for natural gas at about \$9/decatherm for the coming winter.

Walter Wittowski made a motion to approve the Treasurer's Report. Carol Botti seconded and the motion carried.

VI. LONG RANGE PLANNING COMMITTEE REPORT

The Committee members and John Sabal of Summit Building Solutions were introduced. The Committee presented the options for upgrading the building exterior.

The base option would be new railing and stucco siding at a cost of \$207,000. The railing would be a composite material with a twenty-five year warranty. The stucco is pigmented and should be maintenance free for five years. After that point, it may be necessary to touch up cracks. Lynn Berggren said he was concerned about matching the existing stucco at the ends of the building if the wood is removed. The existing door trim would not be affected. An owner asked what was covered in the composite material warranty. John Sabal said the warranty covered splitting and cracking but not discoloration. The railing spindles will be drilled and secured in place with silicone to prevent vibration in the wind. The assessment for a one bedroom would be just under \$6,000. This project would eliminate the need for repainting the building at a projected cost of \$25,000 - 30,000. There are funds in the Reserve for painting; \$20,000 would be used for this project. The trim, doors and deck ceilings would still need to be painted at a cost of \$5,000 - 6,000.

Option 1 would be replacement of the stone at a cost of \$192,000 (a total of \$399,000 for this option plus the stucco and railings). The existing lava stone looks dated and replacement would improve the street appeal. There are also some areas of stone that are falling off the building. John Sabal provided samples of cultured stone and natural thin stone. The cultured stone would be \$4 - \$5/sq.ft. and the natural thin stone would be a couple of dollars more. There would be a thirty year warranty on the cultured stone but none on the thin stone. An owner suggested adding stucco or stone to the posts on the back of the building. The assessment for a one bedroom unit would be \$5,914.

There was discussion about opening up the stairwells. One of the proposals includes opening one front stairwell and making it bigger so large items can be moved through it.

Option 2 would be addition of an elevator in the middle of the building at a cost of \$200,000. A letter was sent to all owners with the Annual Meeting notice about the elevator. A realtor has estimated that the improvements to the building, especially the elevator, could add considerable value to the property, potentially bringing prices to \$400 – 500/sq.ft. The assessment for an elevator would be \$5,715 for a one bedroom unit, equating to 1.5% of the unit value. An owner noted that once they start remodeling, there could be additional ADA requirements. Dave Love said these projects would not require the Association to upgrade the whole building, but owners should consider that there is no access for handicapped guests. Carl Botti said there had been a proposal for an elevator on the west end of the building. This would enable first floor owners to get from the bottom parking level to their units. Carl Botti pointed out there would be ongoing maintenance and there could be a noise factor. Several owners agreed that the elevator should connect to the lower level parking. An owner asked if the monthly maintenance cost would result in a dues increase. Dave Love said there would have to be a maintenance contract but it would only cost about \$10/unit/month. Forrest Scruggs said placing an elevator at the end of the building had been researched in 2005; the contractor indicated it would be more difficult to put it in that location, but it would reduce the potential for noise disturbance. The existing Bylaws clearly state that any capital improvement is to be charged to all one bedroom units at the same rate and at double the rate for two bedroom units. To amend the Bylaws would cost \$500 – 1,000. The general consensus was that the end of the building would be the preferred location.

An owner thanked the Committee and Board for their work on these proposals. Lynn Berggren praised John Sabal for being very responsive and for excellent follow up.

The floor was opened to owner questions and comments:

1. Stucco – An owner asked which areas would be stuccoed. All plywood areas would be covered with stucco. A suggestion was made to put composite 1” x 12” boards on the ends of the building to replace the existing cedar to avoid the potential problems with matching the existing stucco.
2. Railings – Mike Wolf mentioned that there could be problems with moisture in the spindle holes. The moisture could freeze and expand, cracking the composite boards. John Sabal will talk to the manufacturer about this issue.
3. Stone – Some owners felt the stone did not need to be replaced.
4. Elevator – Some owners supported the addition of an elevator while others, especially on the first floor, did not.
5. Stairwells – Suggestions were made to enlarge the windows, to eliminate the carpet or to replace the treads with composite material.
6. Financing – A bank has been contacted about financing. Owners could be assessed on their monthly statements. It would cost approximately \$208/one bedroom unit/month to finance the project over ten years. Owners would be able to select how they want to pay the assessment. The interest rate would be fixed at 6.5%.

The Committee made a motion to have the Lake Dillon Condominiums ownership approve improving the building exterior with new railings, stucco and stone, and the addition of an elevator at the west end of the building with the elevator not to exceed \$200,000, with a total project cap not to exceed \$650,000. The owner assessment would be per the attached one bedroom payment schedule with two bedroom owners paying twice that amount. Walt Spring seconded. In discussion, Carl Botti suggested breaking out the project into segments. Mike Wolf asked if other bids had been obtained and the response was that there had not been any other bids. Lynn Berggren explained it was very difficult to find reputable contractors in Summit County. Ballots were distributed and the motion did not carry with 14 in favor and 19 opposed.

Dave Love made a motion to have the Lake Dillon Condominiums ownership approve improving the buildings with new railings and stucco at a cost not to exceed \$207,000. Steven Roper seconded. Ballots were distributed and the motion carried with 30 in favor and 3 opposed.

Ballots were distributed for owners to vote on the remaining options (the stone, elevator and expansion of the east stairwell). The stone option did not carry with 16 in favor and 17 opposed. The elevator option carried with 17 in favor and 16 opposed. The east stairwell expansion carried with 18 in favor and 15 opposed.

Dave Love made a motion to authorize the Board President and Treasurer to execute and sign a promissory note and Assignment of Assets on behalf of the Lake Dillon Condominiums Association in an amount not to exceed \$450,000. The total assessment for one bedroom units would be about \$12,000, or \$125/month. Diane Wittowski seconded and the motion carried.

VII. MANAGEMENT REPORT

Peter Schutz said he was pleased to have Bernie Romero for the third year as the on site Manager.

A. Completed Projects

1. Touched up painting on all common doors and storage doors.
2. Repaired irrigation system after winter snowplow damage.
3. Repaired lawn from winter damage, aerated and fertilized.
4. Installed new brick pavers on the lake side.
5. Repaired/replaced parking lot light on the east end of the building and installed a security cage.
6. Repaired concrete step at top of walkway down to lower lot.
7. Inspected fire extinguishers and installed new covers.
8. Added new mulch and plantings at entryway planter.
9. Completed troubleshooting and repair of wireless internet system.
10. Compiled and distributed new owner list.

B. Pending Projects

1. Additional bricker paver repairs.
2. Additional touch up painting.
3. Weather stripping front doors.

C. Report Items

1. Turner Morris will provide a roof status report. There were some minor roof leaks over the past year.
2. All Association documents are available on the Summit Resort Group website at www.SummitResortGroup.com. The password for any secured portions of the website is LDC3.

D. Rental Statistics

Peter Schutz will provide rental statistics at the owner picnic. Some inventory is now being used for long term rentals. Peter said he was concerned about the coming ski season due to the high fuel prices, high lift ticket prices and weak economy in the midwest. He anticipated the Front Range business would still be strong. He continues to work "extra net" contacts online.

There used to be an active Rental Committee and the Board has suggested reinstating it. Peter feels it is a valid concept. Jim Swift will serve as the rental representative on the Board. Owners should contact him with any issues or concerns.

An owner asked how to prevent selling of fractional shares of the units. Peter said it would require a Declarations or Bylaws amendment. Peter recommended consulting with the Association's attorney.

E. Owner Storage

Owners were asked to clean out any unneeded items from the owner storage area.

F. Town Update

There are negotiations with the Town on the maintenance of the lawn. There will probably be some public restrooms, sensibly placed, by the end of the bike path. It is in the Association's best interest to maintain a good relationship with the Town. The Town is moving forward with establishment of an Urban Renewal Authority to try to raise money through tax increment financing from new real estate development. The funds would be used to improve the downtown. The owner of Ristorante Al Lago was trying to redevelop his property with both residential units and commercial space but it may be too late at this point to get financing.

A Walgreens is being built by City Market and there are more vacant pads available in the same area. There is a new restaurant called Malbec by City

Market and a new deli called Hungry Mother behind the Conoco station in Dillon. They serve excellent pastry, sandwiches and some organic meats.

The Dillon Marina study has been completed. Some improvements will be made but the Town does not have the money at this point.

VIII. ELECTION OF OFFICERS

There were three open Board seats. The terms of Marilyn Yeager, Dave Love and Stan Moore terms expired this year and Marilyn and Dave indicated their willingness to run again. Scott Roper and Dave Gilbert also expressed interest.

Ballots were tallied and Marilyn Yeager, Dave Love and Scott Roper were elected.

IX. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, August 8, 2009 at 10:00 a.m. in the Lake Dillon Condominiums Meeting Room.

X. ADJOURNMENT

With no further business, Chris Ansay made a motion to adjourn the meeting at 1:10 p.m.

Approved By: _____ Date: _____
Board Member Signature