

Lake Dillon Condominium Association

Memorandum to Lake Dillon Condominium Owners

Re: Lake Dillon Condominiums Hot Tub Replacement/ Ventilation System Install and Special Assessment

March 2018

Dear Lake Dillon Condominiums Homeowner,

This mailer is sent with regard to Hot Tub Replacement, Ventilation System Install and Special Assessment.

Overview

As reported at the 2017 Annual Owner meeting, the extensive “Clubhouse Remodel” was cost prohibitive and the Board voted against proceeding. However, we still have in place a 25-year-old hot tub which quite frankly is an eye sore, leaking and the hot tub area is without adequate and up-to-code ventilation. Based on previous feedback two years ago at the Owner’s meeting the vote was to continue to have a working hot tub at Lake Dillon Condos. The Board is proposing to update and replace the existing hot tub in the Fall of 2018. To that end, the Board has solicited proposals to install a new hot tub as well as install a new ventilation system in the hot tub area.

Project Specifics

The complete project would consist of removal of the existing hot tub shell and all components, removal of the existing hot tub decking wood and installation of new commercial grade salt water hot tub shell, all new hot tub components, all new decking materials and installation of a new ventilation system. In order to “get the new shell into the room”, the front exterior wall will need to be removed and replaced. County codes have created the need to meet current ADA (Americans with Disabilities Act) compliance as well as meet area requirements such as the distance from the top of the hot tub shell to the ceiling (which is requiring excavation to “lower” the concrete pad that the hot tub shell sits on) and walk way widths/ decking stair rise/ run as well additional electrical upgrades. The work would be scheduled to take place after Labor Day 2018 and would result in the area being closed for approximately 1 month.

Funding

The regular Capital Reserve Budget has been carrying an expense allocation for the planned hot tub replacement and ventilation system installation. However, due to work associated with County code requirements and other structural improvements required with the installation of a new hot tub, the funds currently in Capital Reserves are insufficient to cover the entire expense. Total project cost is estimated to be \$150,000. The 2018 reserve budget already has \$70,000 allotted for this project. Therefore, the assessment is for the remainder (\$80,000) to include possible contingencies. Any funds remaining would be added to the reserve fund.

The Lake Dillon Condominiums Board of Directors requests your vote on a special assessment. It is noted that the Board has discussed alternate funding options, such as a loan, but concluded that a special assessment is the preferred funding method for this project. The special assessment would be \$2500 per unit for 1st and 2nd floor units and \$5000 for 3rd floor units. The special assessment would be due September 1, 2018.

Board Recommendation

The Board is unanimous in support of the replacement of the hot tub and installation of a new state of the art ventilation system. The Board views this as a much-needed improvement to the property in order to maintain its appeal to prospective renters and potential buyers. The current hot tub is beyond repair and if replacement of the hot tub is not pursued, complete closure of the hot tub in the very near future will occur.

Special Assessment "vote"

Please fill out the following and send to:

By email; KLovett@srgsummit.com

By Fax; 970-468-2556

By Regular mail; Summit Resort Group
PO Box 2590
Dillon, CO 80435

Votes are due by April 1, 2018.

No response will be considered a vote in favor of the assessment.

Name _____

Unit _____

_____ I vote YES on the Special assessment to fund the Replacement of the Hot tub and installation of Ventilation System.

_____ I vote NO on the Special Assessment and understand that this will result in eventual closure and abandonment of the hot tub.

Thank you for your participation.

Sincerely,

Lake Dillon Condominiums