

Lake Dillon Condominiums Association
Board of Directors Meeting Minutes
9/16/2011

The meeting was called to order at 3:00 pm. Board members present - Sue Donalson and Walt Spring. Board members attending via telephone- Forrest Scruggs, Brenda Dee and Chris Ansay. A quorum was present. Peter Schutz and Kevin Lovett were present on behalf Summit Resort Group. John Holtman, CPA was present via telephone at the board's request.

The meeting began with John reviewing the note he prepared for the board regarding the tax liability on the sale of the association owned unit (#107) at the complex. It is John's opinion that because the unit was part of the associations fixed assets, acquired with funds from a special capital assessment in 1980 and treated as a common element; the proceeds of the sale revert to the fund that was holding the asset. This fund was used for the sole purpose for making long term capital improvements at the complex. Gains as a result of the sale of an asset out of this fund would not be subject to tax.

Discussion followed on what to do with the proceeds from the sale. Options included keeping the funds in the reserve account, a refund to the unit owners or a combination of the above. Peter and Kevin pointed out the need to adequately fund the roof replacement and parking lot repairs. The question was raised on the associations reserve study and are we on track with its estimates. Peter advised that approximately \$10,000 of unplanned expenses have occurred in 2011. Discussion continued. The board felt an outside professional reserve study was not needed as the one prepared by previous treasurer Dave Love was very thorough. It was agreed that Kevin & Peter & Walt will work on revising Dave's reserve study with new estimates. The board will review the new recommended reserve fund contributions and then decide on potential payments of part of the settlement proceeds back to the owners. This will be done as a Board decision including the process on how this will be accomplished.

Peter then gave an update on the pending changes to the onsite telephone system. On behalf of the association he is working with Avalanche Communications to do the following:

- Disconnect the old PBX system in the office
- Install a voicemail box on the SRG office that will handle incoming calls from LDC and be answered with the complex identified as much as possible.
- Install a direct dial remote phone near the elevator and clubhouse that will ring into the LDC voice mail box with options for an immediate assistance.
- Reduce the number of incoming lines to minimize on going phone expense to the association.

The cost of the project will be \$810 with SRG paying one half as well as the ongoing cost for the direct dial phone line. The expense was unanimously approved.

Under new business Peter and Kevin were asked to follow up on the installation of cement curbs in the lower parking lot near the elevator and to complete the project of putting end caps on the common area carpet.

The next board meeting was scheduled for Monday October 17th, 3:00 pm at the SRG office.

With no further business the meeting adjourned at 4:15 pm.