

**THE POINTE AT LAKE DILLON
SEMI-ANNUAL HOA MEETING
DECEMBER 18, 2010**

MINUTES

1. **Called to Order.** The meeting was called to order at 4:05 p.m. by President Mike Gradassi.

2. **Attendance and Quorum.**
 - A. 10 owners representing 9 units were in attendance. In addition 8 proxies were received (attendance sheets and proxies are on file with the original minutes).

A quorum was established.

 - B. Representing Mountain Managers were Phil Wells and Susan Witkowski.

3. **Approval of Minutes from the 7/2/10 Semi-Annual HOA Meeting.** A motion was made, seconded, and passed to approve the minutes as written.

4. **Repair and Maintenance Report.** Phil reviewed the report covering the period of 6/10 through 10/10. Items included lifting, stabilizing, and filling the void areas of the front walkways for Building 102 C and D and the rear patios of Building 103 A and F. Exterior painting was completed on all buildings and crack filling and seal coating were done.

Other completed items (either under \$500 or completed prior to 6/10 or after 10/10) included:

- Metal caps installed on vertical posts behind 102 and 104. The owner of 102A noted that hers was not done – this will be checked.
- Soffit boards on 104 were closed back up
- 2 entry doors were replaced (104 and 102 B)
- Heat tape was replaced on 101 – additional heat tape added on 102 along with downspouts. Owners were asked to notify Mountain Managers if icicles were seen. If a picture could be taken that would be even better. This is something that needs to be watched closely.
- New storage signs in English and Spanish were installed
- A new “No Parking” sign was installed
- A 2nd recycle bin was put in

Snow plowing is being done by a different contractor this year and is much improved. With the proper equipment, driveways are being plowed. The contractor has been very responsive. Phil noted that plowing is done after any snowfall of 3” or more. If snow begins late in the day, plowing won’t take place until the next morning. If it starts early, plowing gets done as soon as possible. Plowing in the middle of a storm is not done if the snow is expected to end shortly. If a prolonged snowfall is expected, the contractor will plow and try to keep up! It was also noted that sidewalks are being shoveled earlier and there is a good use of ice melt. Phil stated that Mountain Managers is now using a pet friendly product that is not as harsh on walkways.

The heat tape on 101 seems to be slow in melting snow/ice. Phil explained that heat tape is only to control ice on the edges. Some buildings may have better insulation than others and therefore snow will melt slower. Icicles may still form since the heat tape is sometimes not strong enough to keep up. It's designed to keep a small opening clear in the downspouts but ice can still form. Adjustments can be made next year if necessary.

5. **Financial Report.**

A. October financials were reviewed by Phil along with year-to-date numbers.

On the income side, dues are below the budgeted amount by \$408. One owner is on a payment plan and is bringing the delinquent account current.

Expenses were pretty much in line with most items within 10% of the budgeted amount. There was a significant savings on grounds - \$2,199 under budget. Overall, the Association was \$3,579 under budget on expenses and showed a net surplus of \$3,171 through October.

The balance in the operational checking account was \$26,949.76 and the money market account balance was \$6,829.45. It is hoped that at the end of the year, the checking account balance will be about \$20,000 to \$25,000.

B. 2011 Budget

Income is based on the current dues structure and is projected at \$115,200.

Expenses were reviewed and any changes from 2010 noted. Phil explained that when the budget is prepared, Mountain Managers contacts the utility company and talks to various vendors to see what they anticipate for the coming year. Total expenses are projected at \$84,912 resulting in a cash flow of \$30,288. With \$33,120 allocated for reserves, this leaves a negative net of \$2,832. The negative number is probably not an issue. There should be enough leeway in the budget to offset the deficit. The HOA may need to think about a dues increase in the future to cover operating expenses. There will be no dues increase for 2011. The annual contribution to reserves could possibly be reduced next year if operating expenses increase. The Board and Mountain Managers watch expenses closely. By law, once funds are committed to reserves, they cannot be used for operating expenses. The law requires all HOA's to have a reserve study but there is no legal funding requirement.

Budgets are best guess estimates based on past history, anticipated increases, etc. If the HOA can stay within 5-10%, that's considered a successful budget year. Phil gave an example of how numbers are reached. Grounds were budgeted at \$4,476 for 2010 but only \$2,276 was spent. The 2011 budget figure was derived using 4 years of average expenses. Last year was a low year but it's not a good idea to reduce any item that much based on only one year.

Questions were asked on “security system” versus “fire sprinkler”. The security system is the monthly monitoring fee for the fire sprinkler system. The monitoring fee includes some service calls but no repairs. Fire sprinkler was added several years ago when the Board acknowledged the need to budget for leaking sprinkler heads and other repairs. In order to clarify this, the line items will be reworded. Account # 5008 will be changed from “security system” to “fire sprinkler monitoring”. Account # 5026 will be changed from “fire sprinkler” to “fire sprinkler maintenance”.

Trash pick up is done twice a week (Tuesday and Saturday) with recycling picked up on Tuesday. Whether year ‘round twice per week pick up is necessary was discussed. Peak times require pick up twice a week and also in the summer. It was resolved to keep the twice per week pickups during July, August and September and for the busiest 3 months in the winter. The rest of the time will be reduced to one pick up per week. This will be tried to see how it works. Some unauthorized use of the dumpster has been noted. It was pointed out that this happens at most complexes. You can call the police if you’re able to get a license number of the violator but it is not their top priority.

It was noted that snow builds up behind the dumpster and the dumpster is moved forward a few inches each time it’s picked up and replaced. Phil explained that the dumpster would have to be moved in order to shovel behind it. Covering the enclosure is a big expense and is not a Town requirement at this time. Phil was recently told by the Town that dumpster enclosures will be “grandfathered” until they reach a point where they need to be rebuilt. A roof may be required at that time. Fortunately, Frisco will not be requiring the “garage” enclosures that are mandated in Breckenridge. When and if a roofed enclosure is required, options will be explored to ensure the enclosure is architecturally compatible with the complex and looks decent.

Recycling was discussed. Owners are reminded that plastic tubs (butter, yogurt) are not allowed. Only #1 and #2 plastics are permitted. No water bottle caps should be put in the recycling bins and cardboard should be broken down. Mountain Managers was asked to contact the trash company for a flyer stating what can and cannot be put in the recycle bins. This will be included with the minutes.

C. MCR

2011 is a relatively light year for projected capital expenses. Decks are to be stripped on building 103 so they can be stained. It was noted that there are some rotten boards that are warping and pulling up. The top rail is also bad in some areas. Phil stated that an exterior deck inspection was done and the warping was not visible from underneath the deck. Total deck replacement was looked at but the cost was prohibitive. The plan is to take the railings down, sand blast, and put them back up. Sand blasting of the other deck areas would be done in place and only bad boards would be replaced.

There are 3 options: Complete replacement of decks if they are not structurally sound, replacement of horizontal decking and rebuilding of rails, sand blast everything and only replace bad boards. It will be necessary to go through and look at all the decks, weigh the feasibility versus cost effectiveness, and get the job submitted for bids. Phil has a contractor who has done a lot of deck work for Mountain Managers this year and will get him to look at each deck. When decks were previously looked at, only the underneath part was viewed to check the structure and how decks were attached to the building. Another inspection will be done by actually getting on the deck surface and determining if replacing flat boards makes more sense than trying to sand blast. The decks are about 12 years old and sand blasting may damage boards even further. It was explained that the decks were painted many years ago instead of being stained. The decks will not accept stain now and they look really bad. Different deck surfaces (Trex vs. pressure treated lumber) were talked about. Trex is about 3 times the cost of wood and there is no guarantee that it will last any longer. Trex is very susceptible to UV rays and deteriorates. Pressure treated lumber will last a long time if maintained properly. The Trex people actually recommend staining to protect the product in this environment. If pressure treated wood is used, it needs to cure properly. A clear coat is recommended for 1 or 2 years before staining. The original decks do not have pressure treated wood and this is recommended if deck boards are replaced.

In 2012, deck staining is scheduled (every 3 years) along with staining the doors on 101. Asphalt crack fill and seal coat is also scheduled. Crack filling is done every year and seal coating every other year.

In 2013, asphalt patch, crack fill, and shim garage are scheduled. This simply allows for the possibility of ramping up the asphalt if it dips below the concrete slab. It will not be done if it's not necessary.

Painting is scheduled again in 2015.

2018 is a big expense year with gutters, heat tape, and garage doors scheduled. Garage doors have a useful life of about 20 years and will be looked at more closely as the time for replacement gets closer. This will not be done unless needed and the MCR can be adjusted as necessary.

2019 does not yet show on the 10 year MCR but roof replacement will be coming up in that year. Again, roofs will be inspected as the date gets closer, current bids will be obtained, and the MCR will be adjusted if necessary. Roofs are all lumped together at this time but the feasibility of phasing them in will be looked at over the next few years.

At the Board meeting, having a professional reserve study done was discussed. This is a good idea but is not required. The Association has a good plan in place that meets all legal requirements. A professional study will not be done but the Board will revisit this issue annually. Art noted that the advantage to having a licensed, professional engineer do the study is having his signature put on the document. Phil keeps a close eye on everything, has experience, and does a good job. He has a good relationship with his vendors the Board is comfortable with how the MCR is being handled.

The \$1650 allocated for mulching was questioned. Mulching was not done in 2010 and will be looked at in 2011 to see what is needed. A shredded Cyprus product is used. It helps to hold in moisture, looks good, and lasts longer than wood chips. It's used around trees, in flower beds, and on the berm. \$1,650 may not be needed but will be left in the MCR for budgeting purposes. Aerating and fertilizing were also brought up. Aerating is done annually and fertilizing is done twice a year.

Dryer vent cleaning will be done in 2013. This is an HOA expense (safety issue) and is done every 5 years.

Phil reviewed funding for the MCR. There are no negative numbers (no special assessments needed). Funding fluctuates from 8% in 2010 to 100% in 2017 and back down to 35% in 2018. It's a balancing act but the HOA is putting enough in to fund capital projects. There may be a little cushion which could allow the annual contribution to be reduced to avoid a dues increase.

6. **Old Business.** None

7. **New Business**

- A. An amendment to the Bylaws adjusting terms of office was discussed. Currently, Board member terms are not staggered as they should be. When the Board was changed back to 3 members, the staggered terms got out of sync. The goal is to maintain continuity with one term expiring each year. In May there will be 2 vacancies to fill. Normal terms are 3 years. The Bylaws can be amended to allow for adjusting of terms if necessary. When elections occur in May, if one term is for 3 years and the other for 2, the staggered cycle will be back on track. After discussion, the membership approved the Bylaws amendment by a unanimous voice vote. President Mike Gradassi signed the amendment.
- B. Unit 104B had an exterior exhaust furnace blower go out. These do not last forever and there is a potential for totally losing heat in the unit if the blower fails. The exhaust blowers are located above each garage and they can rust and stop working. Owners are encouraged to have regular inspections and routine service. Boilers generally last 10 to 15 years. Regular maintenance may make the boiler life closer to 15 years. Units with gas forced air are not affected.
- C. There was a boiler failure in building 103. It was discovered that building 103 has Entran tubing which is no longer made. The inspector did not want to add glycol to the system stating it was too brittle. The percentage of glycol in the system is not known and temperatures will need to be kept up to avoid problems. Owners are cautioned that this is an owner responsibility to repair or replace. All owners with baseboard heaters need to be aware that if they have Entran tubing and glycol is added there could be major damage. **The tubing that goes to each zone is marked. All owners should check to see if it says Entran 1 or 2. These units could experience problems and owners should contact a qualified plumber for evaluation.** The plastic tubing runs from the boiler all the way through the house.

If there is a rupture/failure, the Declaration is very specific that heating systems are an owner responsibility. An owner's HO6 policy may deny the claim thinking that if the pipes are in the wall it's an HOA responsibility. Owners need to make sure they have the proper coverage and that their insurance carrier knows that all heating systems are the owner's responsibility. If your HO6 policy does not cover this, you should ask about a rider to ensure you have full coverage. If you need to quote the section of the Declaration to your insurance agent, this is as follows:

ARTICLE SIX, 6.1 (a) states: "...each owner shall be responsible for the exclusive maintenance and repair of all fixtures, equipment and utilities installed or located within such owner's Individual Air Space Unit, and all other equipment providing exclusive service thereto or therefore and any service lines therefore to the Condominium Unit, including without limitation all utility, heating, plumbing, air conditioning and domestic hot water equipment and appurtenances, compressors, and hot water heaters, if any, regardless of whether such fixtures, equipment and utilities are owned by said Owner or are Common Elements, and for keeping the Limited Common Elements, or portions thereof, designated for use solely in connection with his Condominium Unit, in a good, clean, and sanitary and attractive condition..."

Owners who do not have Entran tubing should still make sure they have adequate coverage for heating systems.

8. **The Next Semi-Annual HOA Meeting** will be held on June 24, 2011 at 4:00 p.m. at Mountain Managers. The Board will meet prior to the HOA meeting at 1:30 p.m.

The Board was thanked for doing a great job.

9. **Adjournment**. There being no further business, a motion was made, seconded, and passed to adjourn the meeting at 5:50 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary (Minutes prepared from a tape recording of the meeting and notes taken by Susan Witkowski)

APPROVED:

Approved via e-mail

1/18/11

Mike Gradassi, President

Date

SINGLE STREAM RECYCLING

ACCEPTABLE ITEMS/ARTÍCULOS RECICLABLES



Flattened Cardboard
Cartones



Magazines
Revistas



Office Paper
Papel de carta



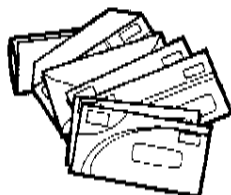
Brown Paper Bags
Bolsas de papel



Newspapers
Periódicos



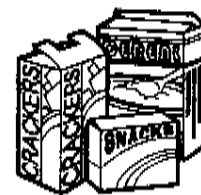
Plastic Bottles
Botellas de plástico



Junk Mail
Propaganda por correo



Phone Books
Guías de teléfonos



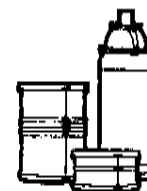
Paperboard
Envases de cartón



**Glass Bottles
and Jars**
Botellas y frascos de vidrio



**Aluminum Cans,
Aluminum Foil
and Pie Tins**
Latas de aluminio,
papel de aluminio y
moldes de aluminio



**Steel Cans and
Empty Aerosol Cans**
Latas y aerosoles vacíos

UNACCEPTABLE ITEMS/ARTÍCULOS NO RECICLABLES



Plastic Bags
Bolsas de plástico



Plastic Tubs
Envases de plástico



Garbage
Basura