

**Dillon Bay in Corinthian Hill Condominium Association
Annual Meeting of the Members at the Silverthorne Library
Friday, September 4, 2009 at 6:30 pm.**

Attendance

Ellen Sappington Unit B303	Anne Murdock & Roisin McCusker Unit C304
Scott Hummer Unit D104	Bill & Sandy Reetz Unit D303
Sally Liu Unit B103	Sheila Jacobi Unit B204
Ralph & Jude Rudder Unit B203	Mark & Lyndy Lubbers Unit D202
Jim & Peg Moore Unit A301	Laurie Helmick Unit B102
Michael Murdoch Unit D102	Arlo & Alice Huse Unit B302

Via Proxy

Judy Hunt Unit C302 to Laurie Helmick
Robert Montgomery Unit D201 to Mark Lubbers
Judy Farrell-Thompson Unit C201 to Laurie Helmick

Rick Pyle, Bob Towne & Moya Callahan representing the management company

Call to Order & Introduction

The meeting was called to order at 6:33 pm with Mark Lubbers chairing the meeting and Moya Callahan recording the minutes.

Mark asked for everyone to introduce him, or herself, to the group.

Quorum & Proxies

The AGM attendance included twelve members with three proxies accounted for. Mark Lubbers noted that the quorum of 40% was not achieved; however, there may be some proxies in route to the Management company. It was determined to continue the meeting as scheduled.

President's Report

Approval of previous meeting minutes

Bill Reetz made a motion to approve the minutes from the August 30, 2008, AGM meeting as presented and was seconded by Scott Hummer. As all were in favor and none opposed, the motion passed.

Mark began by commenting what a difference a year makes. Several owners were unhappy and voiced concerns to the Board. The Board elected to change management companies and feels the overall transition went well. He noted that last year he had to remind the previous Management company of the need for an AGM, however, this year he did not have to make any phone calls to ensure the meeting took place. The Management company has thus far proven to be diligent on enforcing the rules. Mark commented that he is personally happy with the change.

Mark moved onto the budget and noted the goal for the reserve account was to fund approximately \$90,000 in 2009. Unfortunately, there was no plan for the reserve funds and the first project MRP undertook was to create a reserve schedule. Once the budget was established, the Board realized that

they would not attain their goal of \$90,000. With the reserve schedule, the Board is confident that the Association is in good shape. Mark noted that the membership expressed extreme interest in obtaining Internet service. Bob Montgomery spoke with Comcast and in turn communicated with Rick Pyle. Rick determined that Internet and HD cable service was within the Association's budget and made it happen with Comcast. Since contracting with MRP, the garage doors were inspected and the entire complex was rekeyed for security. Rick was instrumental in getting information to the owners on the tax appeal and the assessments. Some people filed an appeal and those individuals received some good results. Scott Hummer confirmed that all owners benefitted from the appeal process and were granted a lesser amount from the assessor's office.

Financial report

Rick reported that the HOA was acquired by MRP in April 2009. There were some accounting issues with the first quarter financials and MRP cleaned up the books after Americana. The Americana format is different from MRP and Rick did not go into great detail of the 2008 financials. At the end of 2008, the HOA had \$41,840.40 in assets. There were no fixed assets reported on the tax returns for the last few years. The Board agreed with MRP's suggestion that the fixed assets be removed from the balance sheet. Laurie noted that the fixed assets skewed the financials and will impact our tax returns, but is dealing with a CPA to see how that will affect us. Americana took the balance sheet from the previous company and never changed anything, as they did not have a list of the assets. It was noted that most Associations do not have fixed assets. Mark noted that this is the fourth Management company since he came to Dillon Bay and did not get much information from the previous management company prior to Americana. It was noted that you take strengths and weaknesses from each Management company and the Board's main concern are the financials. The Association did not have accurate balance sheets for years; however, they are now on the right track with MRP.

MRP has different accounting software from Americana. The monthly financials are emailed to the Board on a monthly basis for review. Any member may request copies of the financial statement or may look at the website. Rick noted that Dillon Bay was an Association that was completing the necessary steps for reserves and felt the Association was not in any immediate need of levying any assessments. Rick began with the balance sheet and reported that the current total assets are \$85,000 in July 2009. The Association opened an account at Alpine Bank to invest the reserve money and is earning 2% interest through the end of 2009. Rick moved onto the profit & loss statement and noted the bank charges are a little high due to the transition. MRP prints the checks at the office and uses online bill pay. The postage expense is a little skewed. The irrigation cost is a little extra as there were several irrigation heads that needed replacement. The bottom line of operating expenses is about 1% over-budget and Rick is hopeful the HOA will end the year very close to budget. There have been some investments into the property as Mark previously stated with the rekeying and the garage doors. Rick noted that the HOA paid for these expenses with reserve funds. The key change was deemed necessary, as they had not been replaced in several years. There are some roof inspections scheduled and the hope is that the HOA will be able to defer the flat decks with preventative maintenance.

Bill Reetz made a motion to approve the December 2008 year end financials and financials through July 2009 and was seconded by Lyndy Lubbers. As all were in favor and none opposed, the motion passed.

Managers Report

Rick let the membership know that, Bob Towne, a key member of the MRP team was unable to attend. There has been a good start with no roof leaks or moisture intrusion. Rick confirmed that the roof inspections would be completed and any maintenance will occur prior to the winter. There were some areas that MRP addressed when they took over from Americana such as, landscaping, mulching, siding missing from garages, touch up painting in the common areas, and planted areas. Rick felt the lock replacement went well and that Comcast did a very good job. There was some crack filling done on the parking lot, as it is a critical point to be proactive and save the asphalt. MRP tries to keep the expenses on the lower side by completing inspections and being proactive on some of the preventative maintenance. The garage inspections went well. Scott Hummer will continue to complete the snow shoveling and there were no objections from the members. Rick saw a liability issue and Scott is now an employee of MRP in order to protect the HOA from any liabilities. It was such a dry July that we went a little over on the irrigation costs. Overall, we are here to take care of your property and to enforce rules. MRP is not afraid of enforcing the Rules & Regulations and experienced an issue a couple of months ago. There was an incident where a rental unit had too many people, too many cars, and owners did not notify about tenants. MRP tries to get issues taken care of immediately and attempts to make personal contact. Bob Towne is the Operations Manager at MRP; please call him with any concerns. Unit 303D commented on short term people with pets and noted there have been two large dogs on the balcony at 103A. It was noted that the rules state that visitors may not have dogs and owners may have only one dog. Rick reiterated to the membership to please contact the Management company and MRP will take care of these issues.

Old Business

Roofing Report – The shingle work was completed while the Association was with Americana. MRP has been successful at other properties with preventative maintenance and the goal is to get a couple more years out of the roofs. Rick stated that roof inspections were to be completed at Dillon Bay and the Board will then know what repairs may be needed. It was noted that the \$4,000 assessment was for the roof shingles and not the flat roof.

Comcast/Internet – Internet was requested at the previous AGM and the funding was there in the budget. The property values need to stay updated and that includes HOA services. The HD service is available to everyone and is bundled in the package with a lock on the price for seven years. A few owners noted that their cable was left unconnected and suggested the need for a greater level of communication from Comcast. It appeared that most owners were connected and working now. MRP did not hear of any issues and requested that the members contact the Management company with any issues.

Tennis Court Update & Paddleball Court area – The previous meetings decided that the Hill was not going to rent the tennis courts any longer and the HOA decided to eliminate the expense for the tennis court. Mark explained that from previous responses the tennis court did not seem like a high priority with the owners and the Association was struggling with the cost to repair. MRP has done some investigation and it seems feasible to patch the asphalt from the tennis court to the parking lot. The fence can be taken down and would present a possible snow storage area until the members decide how to use the area. The question is how do we use the area to enhance the property value. Mark posed a question to those in attendance and asked if the tennis court was a factor when you were buying at Dillon Bay and a couple of people thought it was a factor. The Board is wrestling with property value and with levying an assessment of about \$1,500 per unit to repair the tennis courts. If they consider demolishing the area, the cost would be \$1,300 to take down the fence and \$5,000 to seal coat

the area. Mark stated that the paddleball area and tennis courts are connected and wants to see what would be the best use for the entire complex. One owner stated the Paddleball court looks like a mess with the rocks and gravel pit. A member noted that everyone should be concerned with how the area looks however the issue is money. The members felt that the priority should be the paddleball and entry area. Mark summarized that what he was hearing is that there is an interest in a long range plan for the paddleball and tennis court area with funding and that all are in agreement to take down the fence to prepare for a storage area for the winter. The Board will ask landscape architects to come in to review the area and will continue the discussion on what is best for the property.

New Business

Building Pillars – There are rocks falling off of corner pillars on a couple of buildings and they have experienced some settlement. An engineer report was completed and the Board obtained some prices to correct the issue. The costs range from \$9,000 to \$19,000 to correct the problem. The corners have dropped, however, not a substantial amount. Rick suggested that they continue to inspect the corners and repair the stonework that is falling off. There was not a cap on the initial stonework and the repair will have a cap and a five-year warranty.

Member's Education – Senate Bills 89 and 100 require that the members be educated every year regarding their Association. There were a couple of items in the packet this year. Please make sure you have proper insurance particularly in a condo association. Rick explained the HO6 Rider and the need for those that rent their unit to obtain a business policy.

Rules & Regulations/Governing Documents – Rick asked to see if some people can get together from the membership other than Board members to assist with Rules & Regulations and Governing Docs. The Association's Declarations were written several years ago. Unless the rules clearly state the insurance responsibility, it is likely the insurance will not cover damages. The insurance section needs to work toward the entire interest of the HOA. Rick has worked with other HOA's to revise the Association's documents and the initial contact is with a committee. The committee has an initial teleconference where Rick addresses some areas of concern and his ideas. The committee then takes the documents to rewrite. The documents are then taken to the Board for their input. The goal would be to have this completed by next year's AGM. Rick felt the total time from the committee would be less than 20 hours. Rick likes to have a diverse selection of people in an effort to get a more stable committee. Rick considers this a critical issue for the Association.

2009 Budget – Rick explained that the 2009 operating budget and the fifteen-year reserve schedule. Last year there was money in the reserves, but there was no fifteen-year schedule. The HOA should be on a zero based budget and is required to have a fifteen-year reserve schedule. The total operating income is \$177,582. Rick touched upon several of the line item expenses and explained that he is being a little cautious with the first budget. The HOA's insurance is with American Family with Leslie Weiss. Rick negotiates all of the MRP HOA's with Leslie Weiss and the HOAs receive an additional 6-12% discount, which will probably result in a decrease in Dillon Bay's insurance. The plowing budget is taken from historical information and there may be potential of cost savings through MRP getting bids. The cable and Internet expense did increase with the upgrade. However, Rick would not have suggested this to the Board if they could not afford the upgrade. There is a contribution of \$4,500 per month to the reserve and will attempt to go as long as possible without a special assessment.

Rick moved to the reserve schedule and explained that the reserve is used as an opportunity to set the cash aside to minimize future increases. MRP took an overall look of the entire property. He commented that concrete is a serious issue with the one garage. There is funding to spend \$21,000 to cut and re-pour that section (3rd building). This year there is \$1,000 placed for the patching of asphalt. The common area painting and the carpet are deferred to next year. Light fixtures have an ordinance in next year and they will need to look at the lighting at the facility to determine if the HOA will be required to change. The locks and fixtures were completed this year. The siding replacement has a thirty-five year life expectancy and there are thirteen years remaining. The flat decks were pushed out to 2012 with the repairs and inspections this year. Rick explained that the membership is required to ratify the budget. The budget will typically be brought to the Board in November or December and then to the membership for ratification within 90 days of the Board's approval. A meeting is held or ballot issued to the membership to ratify. Rick tries to present the entire picture with the reserve schedule and explained that the schedule is tweaked on an annual basis. He further explained that this is just a blueprint and a guideline for the membership.

Unit 303D commented that she would like to see the common areas improved sooner rather than later. Scott addressed Unit 303D's concern and stated that the painting and carpet will be completed next spring or summer. She is concerned as the area looks terrible and would like to see it completed now. Scott offered the gallon of paint used in all of the common areas for the owner to paint the hallway and Laurie offered to lend her steam cleaner. There was discussion of carpet and painting, but there was also a promise of \$90,000 in the reserves. Several people would like to paint their own entry ways to suit the two units that live there. If someone just painted his or her hallway, then the HOA will spend the money to paint when it does not really need it. Unfortunately, the entry way is a limited common element and cannot be painted to suit those that live in those two units. Another owner commented that she would gladly touch up the paint on her stairs if the HOA supplied the paint. It was noted that not everything received touched up painting. Again, Rick asked the members to communicate with the Management company. Unit 303B asked about one time fee to be placed in the next budget for an annual cleaning of the decks as certain decks accumulate a large amount of bird waste and Rick said he would work with the Board on that issue.

Ellen Sappington made a motion to approve the 2009 Budget as presented and was seconded by Sheila Jacobi 204B. As all were in favor and none opposed, the motion passed.

Sally mentioned that someone put garbage in the recycle bins and there have been bears in the area. She wanted to remind the members to not place garbage in the recycle bins. Scott suggested placing a reminder in the next mailing about the recycling and about the parking.

Elections

Rick offered to take nominations from the members for a one-year term on the Board of Directors.

Ellen Sappington made a motion for the members to waive the secret ballot and elect Laurie Helmick, Mark Lubbers, Sally Liu, Scott Hummer and Judy Hunt by acclamation to the Board of Directors for another term and was seconded by Bill Reetz. All present were in favor and none opposed, the motion passed.

The corporate standing is due annually in January and Mount Royal Properties will renew at that time.

Laurie said it was nice to work with this Board and thanked the membership for the opportunity to work with these people.

Mark asked for some feedback on the location and time of the next AGM. He queried if those in attendance preferred the Library or the Clubhouse and all agreed that the Library was a good venue. Mark then asked if those in attendance preferred Friday evening or Saturday morning for the AGM and all agreed on Friday evening.

Adjournment

Rick thanked everyone for their attendance and welcomed their comments.

As there was no other new business to discuss, the meeting was adjourned at 8:28 p m.

I hereby attest that these minutes are a true and accurate account of the meeting thus held on September 4, 2009.

Signed

As _____

Board Position

Date