

Meeting of the Executive Board of Director's of Dillon Bay Condominiums
held at Mount Royal Properties offices and via teleconference on

November 17, 2009 at 1:00 pm.

Attendance

Mark Lubbers (Unit D202)
Sally Liu (Unit B103)
Judy Hunt (Unit C302)

Laurie Helmick (Unit B102)
Scott Hummer (Unit D104)

Management in Attendance

Rick Pyle, Bob Towne and Moya Callahan representing the management company.

Call to Order/Quorum/Notice

Rick Pyle chaired the meeting and Moya Callahan recorded the minutes. Rick called the meeting to order at 1:00 pm. As five of the Board members were present, a quorum was met. The notice for the meeting was emailed on 11/12/09.

Approval of previous minutes

Scott Hummer made a motion to approve the minutes from August 5, 2009, as presented and was seconded by Sally Liu. As all were in favor and none opposed the motion passed.

Review of financials

Rick began with a review of the Balance Sheet from October 2009. The total cash on hand was \$81,680.86. There is a due to/due from outstanding and the reason for the shortfall was to capture the first quarter's reserves while under Americana. The HOA may end up about \$1,000 short of the \$4,904.33 amount, but will hopefully make up the balance prior to year-end. The accounts receivable reflects no outstanding accounts and the advance assessments are \$3,285.00. The revenues are according to the budget, however, the interest income is not going to meet the budgeted expectations. Rick will review with the Board how to plan the reserves once the 2% interest from Alpine discontinues in 2010. The Board opted for the attorney retainer and was therefore over budget in legal & accounting. The irrigation water expense is higher than anticipated. MRP had a difficult time with the settings but will be more in tune with that next year. Scott commented that he does not expect the grass to be kept green. There were a couple of owners that were upset a few years ago during a drought year and they ended up moving the heads around to try to green the grass. If the Board decides to keep the grass more natural and not green, they decided that they needed to send out a notification to the owners regarding the natural grass. The user fees went up and the rate increase will need to be reviewed. There is (3946.01) in irrigation/maintenance and Rick explained that there were some journal entries to correct with the previous accounting, but that he would ask Jillian to forward the detail.

The common area carpet cleaning will be completed in 2010. The reserve items came in according to budget and will be discussed further in the 2010 budget. Rick explained the other expense in the reserve fund expenses as it related to irrigation and will send the detail to the Board with the explanation of the irrigation maintenance. Once the issues are discussed, the Board will move to approve the October financials.

Management Report

Bob completed the winterization of the property. Hilco is the plow company and will be starting 11/15 through 4/15/2010. Bob will install snow poles at the property to alleviate damage to the areas and will complete a walk through with Tom from Hilco. Buildings A & C had roof inspections and all repairs were completed. With preventative measures, they hope to extend the life another 3-5 years on the flat decks. Some of the garage doors were not closing all of the way and Altitude Garage made the repairs without charge. A few steps were shored up. Some of the balconies and railings were touched up with paint. The carpet in the hallway of D303/304 was cleaned. A couple of the walkways are sagging and Scott was approached by a few different owners to bring the pitched walkways more level. It was asked if a step could be added to level the area and Bob said he would be happy to fix it in the spring. There was discussion regarding the support requirements for Trex vs. wood decking and the Trex walkways need to be looked at in the spring.

Old Business

Tennis Court: There is a current price of \$3,800 to tear out the tennis court completely (leveled but would be dirt) plus \$1,500 for the fence. Tom Hill expressed concern about the snow storage, but other companies do not feel it is a problem. Mark emailed on November 6th asking what do they have to lose with trying to take down the fence. Rick feels like the budget will be a moving target for the next couple of months with review of the Declarations, reserve study, tennis court issue, etc. Until some of these issues are decided, the Board will not be approving the budget most likely until the first month of the year. Trying to look at the operating expenses and have a \$6,800 allocation for the tennis court this year, but need some direction as to where the Board wishes to go for now. Mark would like to take the fence down now and use the area for snow storage. Judy thinks we need to think it through carefully. She has a lot of respect for Tom from Hilco and when there are lots of piles of snow it creates a "park" for people to play and they do not want that liability at Dillon Bay. If there is just dirt in the area, people will park there. There are several issues that require a complete plan before moving forward. It was discussed at the AGM to make a footprint on the property going forward. Scott agreed that it is more prudent to wait and not use the tennis court as snow storage. The consensus is to defer anything on the tennis court until next year and to get someone for site planning of the area.

Snow Storage: Discussed above.

2010 budget: The biggest issue to point out is that the reserve contributions are decreasing and the contribution is \$44,220.00. The 2010 budget is based on the actual numbers MRP is currently acquiring. There was some discussion regarding the drains and that they are already running slowly as they head into the winter months. They would rather have the dues raised than have a special assessment. Under accounting and legal, the \$1,000 retainer is included and the question was posed as to whether Mark is open to offering the arrangement again next year. Rick felt that the competition in the community is the reason that the retainer was offered and it has proven profitable for Richmond, Sprouse & Murphy. Rick will see if Mark will have an inflation clause for 2010.

The Board wants to use the funds allocated for landscaping and the tennis court for the consultation on the plan for the area. Sally has a retired friend and asked if he would be interested in doing a plan for the HOA. Sally will provide the information and MRP will follow up with his references. MRP will ask for three proposals on this and then, in the spring the Board can make a decision. The Board agreed that they should wait to pour the concrete in the second garage until the street is completed and should push out the work until 2011. The Board agreed to use caution signs in the garage to protect people. The other issue is the light fixtures. Rick looked at the County and Town guidelines and determined that the HOA may be fine and will just need minimal change outs on the property. They agreed to leave the \$4,500 in the light fixtures reserve

expense. The Board also agreed to repaint and replace the carpet in the common area hallways this spring. There may be some expenses on the irrigation lines. There was a conversation with Dan Burns, from Dillon Water, for the contractor to mark the lawn where the pipes are located. The Association will need to work within a tight budget, but this places some accountability on the management company. There is \$6,000 plugged into 2013 for the fence. All agreed the fence is in bad shape and agreed to plug \$1,000 in 2010 for repairs. They agreed to include the fence in the overall plan for the property. Rick asked the Board to advise on how elaborate a plan they are looking at and how much they would like to spend on the consulting. The owner of D204 approached Scott in regard to common area issues and wondered if windows were being considered in the reserve plan for replacement. Windows and doors are not common elements and it is the owner's responsibility, however, the maintenance is the HOA's responsibility. There was discussion on how they would like the complex to look and it was suggested that the Board pre-authorize windows, sliders, colors, etc. for the membership to follow the specific guidelines when replacing. It was noted that this could be changed in the rules when the rules & regulations committee is meeting. MRP would make some revisions to the budget and circulate to the Board. They also agreed to use the reserve study to prioritize.

Rules & Regulations: Rick discussed briefly what he found so far after his review of the documents and shared his summary with the Board. The major area he wanted to discuss was that the working capital was imposed on the initial buyers only. Most HOA's have the new members pay three months of working capital at closing. At the time of a sale, the buyer is paying an additional 3 months of working capital into the reserves. It would increase the working reserve amount and throw another \$30,000 into the 15-year plan. Judy is in favor; as are Scott and Sally. In order to make this change, an amendment to the Declarations is required with approval from 67% of the membership. The budget would be reconstructed going forward with sales estimated and the working capital, Rick felt that one sale should be budgeted in 2010. Mark will agree with Rick's suggestion as he completed this change with a previous HOA under the guidance of Mark Richmond. The Board will have to campaign with the membership for this change to the Declarations and should use the explanation that this will help ensure the financial health of the HOA going forward. The Board will have to educate the membership on this issue and possibly entertain an informative meeting.

New Business

Reserve Study: Everyone seems to want to invest in exploring this option. Rick presented a quote from PIE in the amount of \$3,500. There is another HOA that is currently having a study completed and the Board decided to defer until they could review the study from the other HOA. The Board expressed the need for references and quotes from all of the reserve study companies.

Street & Parking Lot: Rick obtained a rough verbal estimate of \$21,000 to excavate the area to extend the parking lot and connect the road. However, this would mean a special assessment for the membership and Rick asked if this is something the Board wanted to pursue. The Board decided that it was not a good time to impose any type of large special assessment on the membership and tabled the discussion indefinitely until it could be discussed with the membership at the AGM.

Other new business: Scott cannot get the snow blower to start. Bob will go out to see what he can do to get it working. It was noted that the forecast for the winter is dry.

Sally said they will have to move the plants from in front of the entrance way and is willing to do the transplanting if someone will dig the holes prior to July 4th. Rick suggested that the Board consider a workday and impose a fee for those members who do not participate. He has other Associations that plan several days in the summer for the membership to participate. This is another area where the Association can keep expenses down. Rick suggested forming a committee to schedule the days; Laurie volunteered to help chair the committee and Judy would find out the contact information of the chair at Summerwood.

Rick will use the two hours of time with Mark this month to review the Association's documents. The goal will be to have all the changes complete to present to the membership at the AGM. Rick asked if the Board would approve MRP to charge about \$200 for him to review the Declarations and meet with Mark Richmond and the Board had no problem with that.

Scott found entry doors wide open the last two times he shoveled and felt they may need to put a fine system in place. When Bob does the security checks, he makes sure every outside door is closed and locked. The Board asked for reminders to be placed in the statements to close and lock the doors per the rules and note that leaving the doors open is a large expense for the HOA. Bob will explore the options of door closures and obtain some cost estimates.

The Board decided to move to the coupon book system in 2010.

The holiday lights on the outside entry are connected to the Dillon Bay box sign and Scott was wondering if this increases the electric bill. Bob can place a new cover on the box with a lock.

Rick asked if there were any issues with rentals that are percolating right now and it was reported that there was a significantly decreased amount of use of the condos this fall. The Board asked MRP to keep an eye on 203C as they may have too many vehicles in the lot. Rick asked that they let MRP know if any issues arise.

Sally noted that the fire extinguisher has a punch for 2008, but not 2009. Bob will double check the state requirements and get an estimate. The Board felt this should be included in the budget.

Scott noted that it is getting dark earlier and MRP needs to make sure the bulbs are working. Bob replaced several photocells this year and performs light inspections once per week.

The Board asked if they should look into motion sensors for the hallway lights and the question will be the cost. They will discuss at a later date.

Adjournment

As there was no new business to discuss Scott made a motion to adjourn and Mark seconded. The meeting was adjourned at 2:48 pm.

I hereby attest that these minutes are a true and accurate account of the meeting thus held on November 17, 2009.

_____ as _____
Signed Board Position

Date