

**NEEDLEROCK CONDOMINIUM ASSOCIATION  
ANNUAL MEMBERSHIP MEETING  
JULY 23<sup>TH</sup>, 2001 @ 11:00 A.M. (MST)  
NEW SAN JUAN BUILDING CONFERENCE ROOM  
220 EAST COLORADO AVE  
TELLURIDE, COLORADO 81435**

**MINUTES**

1. Roll Call and Determination of Quorum.

**Owner Member present** was Ginny Gordon representing Units 1, 5 and 6. Hayden Cutler representing Unit 4 appointed Todd Creel as his proxy. Mr. Creel was contacted and informed us that he was unable to attend. **Property Manager**, Judi Balkind was in attendance.

**A Quorum was deemed present, and the meeting was called to order at 11:10 a.m.**

2. Proof of Notice of Meeting or Waiver of Notice.

Ginny Gordon moved, seconded and approved there was sufficient notice of meeting.

3. Election of Board Members/Directors.

Current Directors are Paul Gelose (2 years remaining), Ginny Gordon (expiring) and Bill Gordon (1 year remaining). It was noted to the membership, Paul Gelose is in the process of selling his unit and his position would be vacated. A third director will be needed. Ginny and Bill Gordon accepted their positions and will solicit another person for the vacate position.

4. **Election of Officers.**

A motion was made by Ginny Gordon to keep the officers the same as approved in the last annual meeting and assign a new member to the vacant position. The Board elected its officers as follows: President (vacant), Bill Gordon, Vice President, and Ginny Gordon, Secretary/Treasurer.

5. Treasurer's Report.

The 2000 Financial Statement was reviewed. Most line items were right on track except for the Funding Reserve Expense. No monies were allocated to this line item due to late payments from owners for their dues. The Profit and Loss Statement for the year ending December 31, 2001 shows a loss of \$2,352.04. This loss reflects a special assessment for painting of \$5,000.00 and the cost of painting the exterior was \$12,000.00. A transfer of \$8,000.00 was made from the reserve to the operating for the balance. It was noted to the membership the Insurance Expense was on budget for the year. The Association was able to continue the expanded coverage under the Telluride Resort Accommodations umbrella policy. This coverage will not be available in the upcoming year. The ending balance in the operating

account was \$1,936.67. The ending balance in the reserve fund was \$9,556.47. The accounts receivable reflected one outstanding dues from Rosemary Paulter, Unit 2 in the amount of \$826.88. The accounts payable reflected current payables at \$273.71.

6. Unfinished Business.

A. Maintenance of Building. Mike Lewis, Mike's Mountain Management was hired to provide common area cleaning on a weekly basis as well as minor maintenance for the project. Snow Removal is provided as needed. Ginny Gordon reported she is happy with his performance based on his compensation. We are getting a superior performance far better than the service provided by Telluride Resort Accommodations. Ginny noted the compensation is based on a weekly cleaning of the common area .not a daily cleaning. Ginny Gordon requested Mike Lewis needs to check the lights in the garage and hallways and keep the garage free of junk. Ginny noted the doors to the exterior hallways are broken and need to be fixed.

B. Building Painting. Dan Kirby painted the exterior of the building within his proposed budget of \$12,200.00.

7. New Business.

A. Approve Budget for 2001 and Allocation of Dues. Upon reviewing the 2000 financial statements, it was noted to the membership the reserve fund had not been funded for the year because of the late payments from owners. Ginny Gordon made a motion, seconded and approved to eliminate any additions to the reserve fund for the 2001 budget. Ginny Gordon informed the membership the 2002 Quarterly Dues will increase to reflect a reserve fund assessment. The assessment will begin to bring up the level of reserves. Ginny Gordon also noted the reserve amount for the year 2000 must be allocated in this year if the funds are available. Ginny Gordon made a motion to approve the 2001 Budget and Dues Allocation with the adjustment to the Reserve Fund line item. All in favor. Motion passed.

B. Painting of Hallways. The painting of the hallways were not completed in the previous year. It was decided the hallways needed to be painted this year. Mike Lewis presented a bid of \$1,200.00 to paint the interior hallways. The board approved the bid.

C. New Carpet in Stairway. The carpets in the stairway and hallway are in need of replacement. A bid was received from Valley Floors, Inc to replace, install and remove the old carpet for a price of \$3,578.40. A second bid will be obtained from Montrose Decorating. The board will award the project to the lowest bid. The new carpet needs to be installed after the 11<sup>th</sup> of August.

D. Roof Repair. Craig Rodgers, Telluride Valley Roofing was contacted and asked to investigate the roof for repairs. Craig Rodgers presented a bid to seal wall flashing seams with fiberglass webbing roof cement and seal all corners where the roof has cracked and pulled apart. His estimate was \$2,000.00. His bid stated the repairs are general roofing repairs and are not a guarantee against any leaks. Ginny Gordon made a motion to approve the bid from Craig Rodgers to repair the roof at a cost not to exceed \$2,000.00. The motion was approved and passed unanimously. Ginny Gordon noted to the membership the work is only to repair the obvious problems. The association may need to have a roofer determine if more major work is necessary for the future. If a more thorough roofing job is needed, a special assessment may be required to cover the costs for this expenditure.

Ginny Gordon made a motion the monies needed for the painting of the hallways, the carpet replacement and roof repair would be transferred from the Reserve Account. Motion seconded and unanimously approved.

E. Other.

**Insurance.** The insurance coverage will not longer be under the Telluride Resort Accommodations umbrella. It was noted to the membership that the insurance costs will increase significantly and the coverage may not be as good as it had been.

**Reserve Account.** It was noted that most of the owners would prefer to pay a special assessment for the capital requirements of the property than to pay large increases in their dues.

**IRS Tax Rules & Tax Returns.**

Resolutions "70-604"/Excess Income applied to Following Year's Assessment and "IRS Section 118 /Excess Income Transferred to Replacement Funds". The resolutions are for excess income associated with homeowners association.

A motion was made by Ginny Gordon to approve Resolution ""118" for the year ending December 31, 2000. Motion seconded and passes unanimously.

The tax returns have been sent in to the accounting firm, Dalby Wendland & CO., Inc. for year ending December 31, 2000 .

Adjournment.

Ginny Gordon made a motion to adjourn the meeting. Motion seconded and approved. The meeting was adjourned at 12:27 p.m. (MST).

Respectfully submitted,

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Judi Balkind, Managing Agent