DAVED CONDOMINIUM ASSOCIATION
ANNUAL MEMBERSHIP MEETING
September 30, 2005 @ 10:00 A.M. (MST)
2nd FLOOR CONFERENCE ROOM, 333 WEST COLORADO AVE
TELLURIDE, COLORADO 81435

MINUTES

1. Roll Call and Determination of Quorum.

Owner Members present were Katie Defrancesco, Owner of Units 2 & 3, and Lynn Black, on behalf of the San Miguel County Commissioners Office, Owner of Units 5 & 6, 333 West Colorado, LLC, Ben Jackson as Manager, Owner of Unit #4. **Property Manager**, Judi Balkind, Homeowners Association Manager. Absent: Michael Beckman

A Quorum was deemed present, and the meeting was called to order by Katie DeFranscesco at 10:15 p.m.

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

A motion was made by Lynn Black that there was adequate proof of notice. The motion was seconded by Ben Jackson. The Motion pass unanimously.

3. Reading and Approval of the Minutes of the June 30th, 2004 Annual Membership Meeting.

Lynn Black made a motion to approve the minutes from the annual meeting. Katie DeFransceco seconded the motion. The minutes were approved.

4. Unfinished Business.

A. Drainage problems. Lynn Black stated the sump pump worked well last winter and suggested to stick with the sump pump indefinity. She asked the manager to keep an eye on the snow and ice through the winter months.

B. Review Financials for year ending 2004. Income of $816.79 is reflected on the profit and loss for year ending December 31, 2004.
Overbudget: The following line items:
-Legal Fees - $940.00 - this expense was not budgeted, Alarm System Maintenance - repairs were needed to the system, Janitorial supplies - $111.61. Underbudget: Garage - $200.00, Snow Removal Ground - $202.79 and Carpet Cleaning - $350.00, General Maintenance Exterior - $321.65, Elevator Repair - $300.00. General Maintenance Interior - $727.53 and Miscellaneous - $771.02.

Review of the 2005 Financials reflected a loss of $4,953.15 as of 9/30/05. The exterior of the building was painted for $4,000.00. This expense was paid for by the capital reserve fund.

Accounts Receivable: All owners are current except for Michael Beckman, owner of Unit # 1 who owes two months of dues in the amount of $735.26. Michael Beckman has not paid his dues for the months of August and September, 2005. Ben Jackson requested the applicable late fees and finance charges be assessed in accordance to the DAVED Homeowners Association declarations and by-laws.

Accounts Payable: All payables are current.

Overbudget: The following line items:
Snow Removal ground - $811.00, Trash Removal - $263.70, Alarm System Repairs - $386.05, Insurance - $1147.00 and Electricity $419.58.
Underbudget: General Maintenance Exterior - $499.09, Carpet Cleaning - $150.00, Fire sprinkler Maintenance, - $271.44, General Maintenance Interior $1,040.00 and Water and Sewer - $479.91.

No further questions or comments regarding the 2004 or 2005 financials.

C. Replacement of the 3 yard container with 4 (four)- 90 gallon bins. Judi Balkind investigated the cost to replace the 3 yard trash container with 4 - 90 gallons containers. The cost would be twice as much for each time the trash was emptied due to the labor involved with the retrieval of the 90 gallon containers. The members agreed to continue with the 3 yard container at this point.

5. New Business.

A. Membership Approval of 2006 Budget. The proposed 2006 Budget was presented by Managing Agent, Judi Balkind. A motion was made by Lynn Black to approve the 2006 Budget as presented. Katie DeFranseco seconded the motion. All in favor. The 2006 Budget and Dues were approved.

Review of the Reserve Fund yearly allocation. We will continue to place the same amount ($613.30/month) in the capital reserve account. The plan for reserves is to have enough funds in the capital reserve account to be able to pay for the replacement of the roof when needed. There is $43,306.00 in the reserve account as of the date of this meeting.

B. Request for a table near the Federal Express Box. A request was made to the Federal Express Employee to have a table installed at the site. Lynn Black suggested that this would only lead to more trash and clutter. All other members agreed and denied placing a table in the area.

C. Painting of the Exterior. The colors for the exterior were approved by Ben Jackson , Unit #4, Katie DeFransceco, Units 2 & 3 and Lynn Black - Units #5 &6. The exterior of the building will be painted for a cost of $4,000.00 and will be completed within the next three weeks.

D. Changing the facade for the front windows. Ben Jackson has made a request to look at changing the facade for the front windows. He would like to have more windows that would open and give the building and more open and unobstructed passage. Katie DeFrancesco stated she would be willing to look at drawing and plans to try and make a better assessment. Ben Jackson suggested he would have his partner, Jack Wesson draw plans to submit to all owners for review and discussion.

E. Town of Telluride Building Department Code Requirements - Sam Samuelson, the Town of Telluride's building inspector addressed the members of the association of a few code requirements. He noted that if a unit is 1,500 square feet or larger the unite must had 2 exits. The doors should be shut but not locked. The building needs a handicap bathroom and since the 1st floor unit #1 is not accessible then the building is in non compliance. Lynn Black noted there are bathrooms on the second floor that are handicap accessible and could be used. Sam Samuleson made a suggestion to have front door signage stating the handicap bathrooms are on the second floor. The other handicap issues is the elevator is not handicap accessible but the back hall is. The bathrooms on the first floor would solve the issue.

F. Parking - in front of dumpsters, cardboard break down, pets in building, downstairs hallway cleaning. Michael Beckman, owner of Unit #1 had sent a letter to manager, Judi Balkind requesting these issues be addressed. Michael Beckman was not present at the meeting but the following comments were made: One county employee parks in front of the green 3 yard container. This space is designates as a county space. This employee is aware of the trash pickup days and moves her car accordingly. Parking in front of the cardboard dumpster is limited to small vehicles and again the cardboard pickup day is known. The county will notify their employees that only small vehicles may park in that spot. Katie DeFrancesco asked that all vehicles pull in or back in as far as they can go to try and make it easier to park in one's space.
-Breakdown of cardboard boxes. Katie DeFrancesco addressed this issue and stated that she and her employees make every effort to break down all cardboard boxes. Since the bulk of the cardboard is generated from her company she monitors the cardboard container and request any viloatin be brouhgt to her attention.
-Pets in building. Pets are allowed in the building as long as they are kept under control. There has not been an issue with any pets.
-Downstairs hallway cleaning. Leo Brennis was hired to take over the common area cleaning. Katie DeFrancsco stated the building has never been cleaner and Leo is a pleasure to work with. Any time there has been an issue, Leo has taken care of it immediately.

G. Recoup of tap fees for common area bathrooms from Unit #1. The DAVED Homeowners Association wants to make a formal request to Michael Beckman, owner of Unit #1 to reimbursement the association for $10,000.00 to recoup the tap fees for the bathrooms installed in his unit. The DAVED Homeowners Association paid $10,000.00 for the installation of two bathrooms in Unit #1. The installation of the two bathrooms was a requirement by the Town of Telluride Building Department to the previous tenant, Walter Druaer, owner of Café Vienna. The bathrooms were to be used by all the first floor tenants. Since Michael Beckamn has refused access to the bathrooms for the owners and tenants of the first floor the association is requesting reimbusement.

H. IRS Tax Rules & Tax Returns.

Judi Balkind informed the board the tax returns for fiscal year 2004 were filed with Mark Neibreigge, a local C.P.A. accountant in Telluride, Mark had worked for Reese, Henry and Company before branching out on his own.

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 Lynn Black to approve Resolution ""70-604" for the year ending December 31, 2004. Ben Jackson seconded the motion. There was no further discussion. The motion passes unanimously.

The tax returns were completed and sent to the state and federal tax offices.

I. Other - Ben Jackson addressed the new Senate Bill 105. He stated the bill request that all owners information be accessible and minutes to the meetings. The bill is geared toward the bigger associations.

I. Election of Officers.

A. 333 West Colorado, LLC, Ben Jackson as manager, acting as President of the DAVED HOA

B. Vice President - Katie DeFranseco

C. Secretary/Treasurer - County Administrator

A motion was made by Lynn Black to appoint the above noted members as officers. Ben Jackson seconded the motion. All in favor. Motion passed.

II. Adjournment.

Ben Jackson made a motion to adjourn the meeting. Lynn Black seconded the motion. All in favor. Motion passed. The meeting was adjourned at 11:15 p.m. (MST).

Respectfully submitted,

Judi Balkind, Managing Agent