

MINUTES OF BOARD MEETING

Association Lulu City Condominium Association, Inc

Date July 10, 2007

Location Wilkinson Public Library
Large Meeting Room 2nd Floor
Telluride, CO 81435

Board Members
Present Kit Collins, Peter McGinty, Jen Hayes, Jan Davies

Others Present Michael McAllister, Diane Wolfson (Full Circle), Hugo Fischer

Quorum 4 of 7 board members

Call to order at 4:41 p.m. Roll call. Proof of notice. Determination that there is a quorum.

Motion by Kit Collins, second by Peter McGinty to approve the draft minutes of the June 9, 2007, board meeting. Motion approved by unanimous vote.

Hearing of Elinoff claim started at 4:40 p.m. Neal Elinoff was not present. The board listened to Hugo Fischer's statement. The board offered to pay Fischer for his time to appear at the board meeting, but he declined. Fischer was called as a witness to testify in court, but did not testify because default judgment was entered. Fischer stated that Sid Brotman on occasion took him around complex and walked through the garage and pointed out things to do, and to throw out. During one of his first walk-throughs with Sid, Sid directed Fischer to throw out planks of wood flooring neatly stacked in a pile no larger than 3 x 6' by one foot high sitting centered in a parking spot. Fischer did not remember if the pile was covered. The boards were not individually wrapped. Fischer also said that a storm in September collapsed canopy, disassembled or stored.

Mike Delsart joined the meeting at 5:01 p.m.

Hugo Fischer left the meeting at 5:02 p.m. The hearing on Elinoff's claims concluded without any appearance by Neal Elinoff. The conference call was terminated.

Michael and David Zutler joined the meeting at 5:04 p.m.

The Zutlers expressed a concern regarding storage hazardous materials in the Building #5 garage spaces.

Review of task list.

Discussion regarding May financials.

Motion by Jen Hayes, second by Jan Davies, to approve Full Circle proposal for remodel services as presented by Full Circle. *Motion passed by a vote of three directors in favor, Kit Collins against.*

Discussion regarding report of maintenance issues related to remodel.

Discussion regarding alley.

Mike McAllister joined the meeting at 5:40 p.m.

Discussion regarding blocking access to Building #5 parking

Motion by Kit Collins, second by Kit Collins, Board agreed to designate a parking space for Unit 5F close to Building #5 in exchange for the Zutlers allowing the association to block parking access to Building #5 and for the association to use the Building #5 garage limited common element for 5F for non-hazardous and non-flammable materials storage. *Motion passed by a unanimous vote.*

Discussion regarding satellite dishes.

The Zutlers left the meeting at 6:20.

Discussion regarding parking resolution.

Discussion regarding special assessment.

Motion by Peter McGinty, second by Jan Davies,

to impose a special assessment of \$2.5 million due in 60 days from the date of the invoice;

to give owners one option to finance the special assessment with the association within such 60-day period;

to pay construction loan interest during such 60-day period as an association cost of construction;

to provide in the owner loan agreement that total construction loan interest starting with the date the assessment is due shall be invoiced *pro rata* to the owners who elect to finance with the association and at the end of construction, there may be a *pro rata* adjusting assessment or refund based upon the actual construction loan interest for such period starting with the date the assessment is due based on the amount each owner borrowed and the amount of time for which such owner borrowed;

to provide in the owner loan agreement for a monthly assessment for construction loan interest as set forth in the owner loan agreement;

to provide in the owner loan agreement that when the association loan is converted to a fully amortizing ten-year loan, the monthly assessment will be adjusted to reflect principal and interest on the same terms as the association has with its lender; and

to authorize Jen Hayes and Kit Collins to jointly approve the final special assessment letter, invoice, and owner loan agreement on behalf of the board of directors.

Diane Wolfson left the meeting at 7:25 p.m.

The meeting was adjourned at approximately _____ p.m. without objection.

THE FOREGOING MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT ITS MEETING HELD September 11, 2007.

Signed:

Hilary Pepper
Manager

Sept. 11, 2007
Date