

BOOMERANG LODGE CONDOMINIUM ASSOCIATION, INC.

MINUTES OF ANNUAL MEMBERSHIP AND BUDGET MEETING

Lobby at the Boomerang Lodge Condominium Complex March 16, 2008, 4:00 p.m. (MST)

The annual membership and budget meeting of the members of the Boomerang Lodge Condominium Association, Inc. was held on Sunday, March 16, 2008, at 4:00 p.m., in the Atrium Room of the Boomerang Lodge Condominiums in Telluride, Colorado.

1. Calling of Roll and Certifying of Proxies.

Owner Members Present via Conference Call: Steve Patterson (1/2 of Unit #4), Cindy Greenwood (Units #1 & 2) Robert Jacobson, (Unit #7) and Ricki Mikkelson (Unit #10).

Owner Members Present at Meeting: Janie and Steve Goldberg (1/2 of Unit #4), Sandy Kryle (Unit #5), Barbara and Kelly Bynum (Unit #6), Mike and Ruthie Rich (Unit #9), Marty Menin, (Unit #11) Diana and Thomas Kyster (Unit #12),

Owner Members Present by Proxy: None

Absent: Kere Frey (Unit # 3), Bill Baird (Unit #13) and Jeff Dunaway (Unit #8)

Also Present: Judi Balkind, HOA Property Manager.

Judi Balkind stated that a quorum was present. The meeting was called to order at 4:07 p.m. by Marty Menin.

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

Steve Goldberg made a motion to approve the notice of the meeting. Sandy Kryle seconded the motion and motion passed.

3. Reading and Approval of the Minutes of the Annual Membership Meeting held on January 23, 2007 at 4:00p.m.

Cindy Greenwood moved to approve the minutes of the meeting as presented. Steve Goldberg seconded the motion and motion passed.

4. Reports of Officers.

There were no officer reports

5. Reports of Committees

a. Lobby remodel committee.

There was little progress made on the atrium remodel. There was no budget approved. Marty Menin circulated a design for benches around the fireplace area to all the owners. Marty requested that a new committee be appointed who was willing to work on this project. Diana Kyster volunteered to be the committee chair person. Janie Goldberg, Ruthie Rich and Barbara Barnum also volunteered to be on the Lobby remodel committee. It was suggested that the committee consider a Phase I plan for the atrium which would take into furniture and lighting. Phase II would include replacement of the atrium carpet. The committee will provide 2 drawings/concepts with prices and pictures.

Sandy Kryle made a motion that in 3 months the Lobby remodel committee will provide all owners with a plan for the atrium remodel which will include a floor plan, pictures and a budget. Janie Goldberg seconded the motion and motion passed.

6. Election of Directors.

Sandy Kryle's term has expired and expressed interest in remaining on the board. Diana Kyster, Owner of Unit #12 has expressed interest in serving on the Board of Directors and sent in her nomination form. Cindy Greenwood noted that she could step down and allow someone who lived on the property to assume her position. Discussion ensued regarding the addition of a Director. Marty Menin indicated his desire to withdraw from the board. Since there was unfinished business with "The Whitehouse Project", Mr. Menin agreed to stay on through this year to see that through. The members agreed to add another director and Diana Kyster was nominated to serve on the Board of Directors with Marty, Menin, Sandy Kryle and Cindy Greenwood. The Board of Directors is as follows

Mary Menin
Sandy Kryle
Cindy Greenwood
Diana Kyster

It was noted that the Board of Directors vote for the officers.

7. Unfinished Business

- a. **Financial Statement Review – FYE 2007-2008.** Judi said the financials show a loss of \$5,969.18. The following expenses were over budget:
- *Snow removal ground and roof.* There was 315 inches of snowfall this winter season – over budget by \$3,428.75
 - *Electrical.* The cost of electricity for running the heat tapes for the snow melt system plus increase in the cost of electricity - over budget by \$841.56.
 - *DSL Line.* Installation of a new line DSL – initial cost of \$485.00. The monthly cost will be \$67.00/month.
 - *Insurance for Flood Insurance and General Liability.* Increase in flood insurance – mortgage companies are requiring higher coverage for flood insurance, - over budget by \$1,250.00
 - *Administration Expenses.* Under budget by \$405.71

- b. **New Lobby Furniture (remodel of atrium with new furniture and accessories).**
This was covered in the atrium remodel above– a new committee is formed.

8. **New Business.**

- a. **Proposed Budget & Dues Review – FYE 2008-2009.** Judi suggested increasing the operating budget by 10% due the increase in electricity, snow removal and insurance. It was noted the dues have not been increased for 3 years. **Kelly Bynum made a motion to accept the proposed 2008-2009 dues for operating and reserve with the 10% increase. Mike Rich seconded the motion. The motion passed.**

- b. **Proposed Project Review – FYE 2008-2009.**

1. ***Special Assessment for painting of the building exterior.*** Judi Balkind had sent four bids to the owners for the exterior painting of the building. They are as follows:
Prospect Painting: \$16,000.00
Mark Wormington Painting: \$29,200.00
Seward Custom Finishes: \$39,750.00
Priapus Painting, LLC: \$31,150.00
None of the above bids included the siding or trim repair.

A separate bid was presented for the Siding and Fascia replacement by Rich McDonald in the amount of \$9,741.00.

Mike Rich volunteered to meet with the painting contractors, review their contract and scope of work to be performed and determine the appropriate contract amount. In addition to the forgoing bids, Mike has offered to get another bid from the subcontractors he has used for the siding repair for comparative purposes If this is competitive and he determines it appropriate he will present this additional information to the manager and board for further review. Mike indicated this will occur within a reasonable time frame. Janie Goldberg volunteered to determine new ‘muted’ colors for the building which will diminish the size and scale. The new colors will be given to Mike Rich when determined.

2. ***Special assessment for lobby furniture.*** Discussed above.

Ricki Mikkelson made a motion to approve a special assessment for a total of \$45,000.00. This assessment will be billed for the 2nd quarter beginning June 1st. This assessment will cover the cost of \$5,000.00 for the installation of the back flow preventor valves and sensus meters and \$40,000.00 to cover the cost for the exterior painting and replacement of the necessary siding.

A second motion was made by Ricki Mikkelson. Ricki made a motion to approve a separate special assessment for the lobby furniture & lighting. The amount of the assessment will be determined when the owners have received the designs for the lobby, prices and budget and the proper vote will be taken. The assessment should be determined by the 3rd quarter – September 1, 2008

Barbara Bynum seconded the motions. Motions passed unanimously.

3. *Special assessment for back flow valves.* Discussed above.

4. *Special assessment for additional snow bars.* A bid was presented for additional snow bars for the roof. It was suggested that this expense be tabled until further notice.

c. **Tax – Resolution for the Association’s Excess Income.** Judi said that for tax purposes even though there may be a loss reflected for 2007-2008 she needs to know how the HOA would like to handle any excess income the Association might have. She said generally HOA’s direct that the excess money remain in the operating funds. If the money is placed in a capital reserve fund, the HOA must identify how it should be used. **Steve Goldberg moved that the HOA keep any overages in its operating account. The motion was seconded by Janie Goldberg. The motion passed.**

d. **Update on Whitehouse Project.** The Whitehouse project is nearing completion. Marty Menin met with Chance Leoff to negotiate an agreement with the Boomerang Lodge HOA. Marty informed the owners that \$10,000.00 has been placed in an escrow to assure the following:

- Restoration of ground and resodding of the lawn.
- Placement of fencing on the property border between the Whitehouse project and the Boomerang Lodge property.
- Repair of any other damages.

Marty stated that he has a verbal agreement with Chance Leoff regarding the necessary landscaping repairs and improvements including sprinklers, sod, new picnic table and gas grill. Marty informed the owners that he feels that Chance will agree to these additional costs.

Mike Rich has questioned whether the verbal agreement will hold up. Cindy Greenwood has volunteered her husband, Shawn Greenwood to present to the members of the homeowners association a landscaping design. Upon approval from the members, the design will be presented to Chance Leoff.

Marty also informed the members he had a meeting with Scott Erickson, a local attorney regarding the construction of the Whitehouse project and its negative impacts on the Boomerang Lodge. Scott indicated he believed that the White House may have exceeded its permissible footprint, which impacts may result in a Boomerang Lodge encroachment. Clearly

the facts and circumstances need to be more thoroughly explored. If indeed there is an encroachment, the owners of Boomerang Lodge will have to estate the value of the impact. Possible Surveys and/or appraisals may be required.

Janie Goldberg made a motion that each owner give the matter some thought and each owners puts together a list of their grievances and anticipated loss of economic value to their unit and the building assume the encroachments exists. Mike Rich seconded the motion, with the caveat that the landscaping is not tied into the encroachment issue. The motion was unanimously approved.

e. Renewal of HOA management contact with Jarmik Property Management, Inc. (“Jarmik”).

Larry Mallard, Southwest Lodging, Inc. presented his company position on short term rentals to the owners. Larry indicated that his company was not bidding on and just the management of the HOA. The members discussed this proposal and it was determined that since each unit owner may hire their own short term rental manager, the services of Mr. Mallard would not be required by Boomerang Lodge. The board thanked Mr. Mallard for presenting.

Next, Judi Balkind of Jarmik discussed HOA management of the property, the various issues and relative performance. The floor was then opened to owners to provide their input and comment. It was determined by a majority of the owners that Jarmik was performing to satisfaction and the management contract should remain in place for another year. Sandy Kryle made a motion that Jarmik provide the board with detail on job responsibility and duties. Judi Balkind indicated she would be delighted to work with the board, provide the information and within reason provide the board with the comfort level it needs.

f. Other.

- A DSL was installed for the owners and guests usage.
- The linen service as terminated. Leo Brennis, Carpet Caretakers obtained two large mats and cleans them on a weekly basis as part of his cleaning services..

Upon motion made by Cindy Greenwood, seconded by Ricki Mikkelson and passed, the meeting was adjourned.

Respectfully submitted,

By: Jarmik Property Management, Inc.
Judi Balkind, HOA Manager