

MINUTES OF THE EOLUS CONDOMINIUM ASSOCIATION, INC. ANNUAL MEETING OF MEMBERS

June 23, 2007

DIRECTORS PRESENT: Sandra Cushman, Stephanie Huss, Bo Keith, Bill MacGuffie, and John Marinan.

MEMBERS PRESENT IN PERSON: Charles and Marygrace Stutzman (320/102), Dr. David and Elaine Armbruster (321/103), Bill and Diane MacGuffie (325/107), Jack and Cynthia Hills (326/108), Robert Beers (423/205), ECA, Jim Shoultz (428/210), Paul and Lynn Strausbauch (429/211), Phil and Lucy Bryson (524/306), Charles and Peggy Johnson (526/308), Sandra Cushman (527/309), Ray and Sally Churan (528/310), John Marinan and Laura Addington (621/403), Don and Gay McCandless (625/407), Bo and Nancy Keith (627/409), Thomas and Bettye Alexander (720/502), Stephanie Huss (722-723/504-505), Durango Mountain Resort (724/506).

MEMBERS PRESENT BY PROXY: Susan Beckmann (326/108), John and Carolyn Gillis (422/204), Ron and Linda Wenger (426/208), James Putney (427/209). James Biglane (519-520/301-302), Jack and Janet Nylund (522/304), Charles and Carolyn Wait (523/305).

GUESTS PRESENT: Mark Seiter.

Prior to the meeting, a package of materials dated May 30, 2007, was mailed to the Members containing the agenda, meeting minutes of the June 24, 2006, annual meeting of the Members, a proxy form, and biographical sketches of the nominees for the Board of Directors.

CALL TO ORDER

The annual meeting of the Eolus Condominium Association was called to order at 10:25 a.m. by Stephanie Huss, President.

QUORUM

A review of the votes in the Association and the votes of the Members present and by proxy was made. There are 47 votes in the Association, and Members of 18 units were present in person and 8 units were represented by proxy. The presence of Members or representation by proxy of more than 20% of Members (10) entitled to vote was affirmed, and it was therefore determined that a quorum was present.

The previous Annual Meeting of the Association was held on June 24, 2006. A motion was made by Bettye Alexander and seconded by Lynn Strausbauch to accept, without reading, last years minutes as sent out. The motion passed unanimously.

ELECTION OF DIRECTORS

The next order of business was the election of Directors. James Biglane, Sandy Cushman, John Gillis, Stephanie Huss, Bo Keith, Bill MacGuffie and John Marinan have agreed to remain on the Board for another year. The President asked for nominations from the floor. There being none, a motion was made by Tom Alexander and seconded by David Armbruster to accept the nominated Board Members: James Biglane, Sandy Cushman, John Gillis, Stephanie Huss, Bo Keith, Bill MacGuffie, and John Marinan, by acclamation. The motion passed unanimously.

PRESIDENT'S REPORT

The President's report included the following items:

- The extremely hard water being supplied to the base area by the Metro District has taxed our water softener system to the point that it has become mandatory to replace it with a more efficient system. The new system will cost about \$27,500 and will be installed in July.
- The ramp to the 2nd floor parking garage is severely deteriorated and will be replaced this fall at a cost of about \$10,000.
- Cliff swallows are trying to build nests under the overhangs of the 6th and 7th floors. Since they are so messy, netting has been installed at a cost of \$12,000.
- Bids are still being obtained for repainting of the green railings.
- Extensive water damage from a 4th floor unit has caused ceiling damage in the parking garage. Complete repair is being postponed until alternative materials for the ceiling have been investigated.
- Carpeting and rubber matting have been installed in the elevator lobbies and locker room.
- New baggage carts have been procured to replace the heavy wrought iron carts.
- A cracked mirror in the north elevator had to be replaced.
- The building is now insured (for replacement cost) for \$12M. An independent written appraisal is being obtained to make sure we are adequately covered.
- Steps and rubber mats have been provided around the two hot tubs.

The property manager's report was presented as a handout and is attached to these minutes.

The financial report was presented by Stephanie Huss in the absence of the Treasurer:

- Most costs of the association are fixed or can be anticipated so the overall budget, as handed out, is very similar to last year's. Budgeted income is \$286,966.86 and budgeted expenses are \$286,949.68.
- Due to siding replacement and other significant expenses during the last few years, the capital reserve account has gone down and needs to be increased. Now \$1972 per month is going into the capital account as well as the initial build out fees (approximately \$5,000.).
- The monthly buildouts assessments of approximately \$1540 are kept in a separate account. The mortgage on the ECA unit now has a balance of approximately \$205,000.
- The operating account now has \$54,000 and the capital account has about \$78,000.
- The ski lockers provided about \$4,000 income this year, due to rentals to owners, ski instructors and the junior race team. There are plenty of lockers remaining to rent.
- A motion as made, seconded and passed that any excess revenue over expenses for the year ended April 30, 2007, and the year ending April 30, 2008, shall be applied against the subsequent tax year operating assessments as provided by IRS Ruling 70-604.

An open discussion was held.

- KivaNet now provides high speed internet service with or without cable. The DISH satellite system in Eolus provides HD programming to owners that have an HD TV.
- There is no longer a need for a laundry service room because many owners have found that the high capacity front loader washers and dryers fit into the laundry closet.
- Parking problems have been mostly alleviated by numbering the parking spaces with the unit number and surveillance of the parking garages. Owners and guests with more than one vehicle are being handled on a case-by-case basis by the Property Manager.
- A suggestion was made to provide owner storage spaces in the old sauna/steam room area. This will be investigated.
- Problems continue with the trashy and unsightly dumpster by Village Center. The board agreed to continue to work with DMR to find a solution to the problem.

There being no further business, the meeting was adjourned by Stephanie at 12:15 p.m., with thanks to the Board and all owners and guests who attended.

Respectfully submitted,
Bo Keith, Secretary

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF THE EOLUS CONDOMINIUM ASSOCIATION, INC.**

June 23, 2007

DIRECTORS PRESENT: Sandra Cushman, Stephanie Huss, Bo Keith, Bill MacGuffie, and John Marinan.

The meeting was called to order by President Stephanie Huss.

The purpose of the meeting, as an immediate follow-on to the Annual Meeting, which included election of Directors, was to elect Officers for the ensuing year.

The slate of Officers presented, and elected by acclamation, was:

President – Stephanie Huss

Vice President – Sandra Cushman

Secretary - Bo Keith

Treasurer – Diane MacGuffie

By mutual consent, the next meeting of the Board of Directors was set for Saturday, October 13, 2007, at 10:00 a.m. The place will be determined and all Directors will be notified.

There being no further business, the meeting was adjourned.

Bo Keith, Secretary

Eolus Condominium Association
Annual Homeowners Meeting
6/23/2007
Property Manager Report

ACTION TAKEN:

- 1) Swept 1st & 2nd floor garages.
- 2) Continue to monitor contractor's performing remodels/upgrades to units 628, 528, 429, 320. Work completed in the units except 320.
- 3) Met with KIVANET several times regarding Internet System work in building.
- 4) Met with Culligan Water on new water softener system. Equipment ordered and installation scheduled for the week of June 25th.
- 5) Met with Pete Eastwood of Silver Mountain Construction concerning cliff swallows building nest on the building upper floors, received recommendations and bid for removal of the cliff swallows. Work to begin on June 25th installing netting and removing mud from building.
- 6) Pool summarization work completed, cleaning, painting, planting, gas grill, pool water preparation, service and prep pool furnace, replaced #2 pool pump.
- 7) Purchased 2 new spa hot tub covers.
- 8) Paint interior of spa bathrooms and floors.
- 9) Griego's Lock & Key spa door lock repair.
- 10) Out of Site Window Cleaners cleaned all exterior windows in building.
- 11) Best Cleaning, clean all lobby carpeted floors
- 12) Repaired and replaced several door hydraulics' in building.
- 13) Repair areas located around the exterior and interior of building.
- 14) Performed all daily/weekly/monthly janitorial and maintenance items.
- 15) Addressed owner, guest, hotel calls and contacts concerning various issues.

Capital Improvements:

- 1) Level 2 parking garage driveway resurface entrance. Also, need to replace the concrete slab and french drain on north end of building in driveway area. Front half damage from freight/delivery truck (DMR Property), and water undermining. (\$10,000+/-)
- 2) Water softener's upgrade. (\$30,000+/-)
- 3) Prep & Paint all green railing/stairs. (\$20,000-\$22,000)
- 4) Elevator equipment upgrade. (\$35,000+/- in 3/5 yrs.)
- 5) Laundry room installation. (TBD)

Thank you,

Jim Shoultz
Property Manager
Eolus Condo. Assoc.