

**2003 ANNUAL MEMBERSHIP MEETING
OF THE
WESTERMERE HOMEOWNER ASSOCIATION
Thursday, November 13, 2003 at 12:00 p.m. EST
Held at the Office of HOAMCO
560 Mountain Village Boulevard, Suite 101 (Granita Building)
Mountain Village, Colorado**

The 2003 Annual Membership Meeting of the Westermere Homeowner Association was held on Thursday, November 13, 2003 at 12:00 p.m. EST in the office of HOAMCO at 560 Mountain Village Boulevard, Suite 101, Mountain Village, Colorado.

Roll Call and Certification of Proxies

Dawna Morris called the roll.

Present via teleconference were: Bruce Crown, Ronnie Crocker, Bill Groner, Judith Tharp Curtin, Ray and Margie Francis, and Gail Mahoney.

Present by proxy held by Bruce Crown were: Marty Bregman, Michael Cashman and Patty Dowling.

Present in person was John Livermore.

Dawna Morris of HOAMCO announced a quorum was present.

Proof of Notice of Meeting or Waiver of Notice

Upon question by Bruce Crown, everyone stated they had received notice of meeting; therefore, notice of meeting was waived.

Old Business

Bill Groner moved to waive reading of the Minutes of the 2002 Annual Meeting. Judy Curtin seconded. Motion passed.

Breezeway Drainage. Dawna stated rain and snow blow into the breezeway between Westermere and Palmira, drain into the Montessori School, and cause damage along the building. One proposal was to put in drains so the water will run into the storm drain below the garage tarmac (approximately \$16,000-\$17,000). This would fix the problem. The other proposal was to build tiles on the wall on the side to push the water out (approximately \$4,800). John Livermore explained the two proposals. Discussion followed concerning these and other possible solutions. John Livermore suggested using a transit to shoot the levels to see how much pitch will be necessary and what will be required at the ends of the tunnel to remove the water. It was suggested that the Board be given authority (with a cap) to decide the method of solving this breezeway drainage

problem. It was noted that the problem is not created by a lot of water; it doesn't take a lot of water to damage the wall and "wick" into the carpet in the Montessori School property. Bruce stated that there is money in the Capital Reserve Fund for these repairs. Gail Mahoney moved and Ronnie Crocker seconded that John Livermore review the options and the Board be authorized to make the decision which option to use to repair the breezeway drainage problem. The motion passed.

Painting. Dawna said she spoke with Art Wilgus. Art said all he was told to do was the top rail of the railings and the lower window trims. Gail said she had pointed out to Trey that the wood that goes around the base of the decks was getting bare. She said she was of the understanding it would be painted. Discussion followed. Ronnie stated that Trey told him this summer that the painter was going to have to come back and fix the poor paint job and that nobody had been paid at that point in time. As of today, the repair work has not been done. Dawna said that the painter will be doing the repair work at no charge. Trey had told Dawna when he left that all of the painting to be done over there had been completed. Dawna said the contract states that the lower trim and the top rail were to be painted. Following question about good painters who will come to Telluride, John Livermore stated that he has good painters on his staff who will paint in Telluride. Dawna said that Art has told her he did exactly what Trey told him to do and that other than the bubbling on the rails, the rest has been completed and Art will take care of the bubbling on the railing. Dawna said Art did not understand why Trey didn't have the upper floors, window trims, etc. painted. The decision was made to acquire bids for the rest of the painting that was not included under the previous contract with Art. Dawna said she has a bid from Art. Bids from John were requested. John said he will be painting his windows and, based on the cost for his windows, he can give an accurate quote for the whole project. Dawna will be e-mailing to all members a copy of the contract with Art. Discussion followed concerning what work should be included in the new painting contract. Margie Francis stated she will be in Telluride over the Thanksgiving holiday and would do a walk-through to make sure everything that needs to be painted is included in the new contract. Dawna will also do a walk-through. It was noted that the casement windows can be removed and painted indoors. It was decided that a quorum could be received by e-mail to get this project finished; therefore, the matter was tabled.

Window Problems. Several people reported that their windows don't close properly. Bruce said that his windows close fine when the crank mechanism is disconnected. Therefore, the problem seems to be with the crank mechanism. Ronnie stated that he solved part of the problem with new operators. He said that another part of the problem is that the windows may be too large and heavy to be casement windows. Discussion followed. John said he has someone coming out today to look at the windows. Dawna said they will look at the mechanisms and see if that is all that needs to be repaired. Ronnie said he will e-mail to Dawna the part number and information about a supply house where the mechanisms can be obtained. The matter was tabled until more information is available. (At the end of the meeting, Ronnie provided Dawna with the part number and supply house information.)

New Business

Election of New Board. The current Board consists of:

President	Bruce Crown
Vice President	Gail Mahoney
Secretary	Margie Francis
Treasurer	Rick Asbill
Member-at-Large	Bill Groner

Ernie Dunlevie has sold his unit and resigned from the Board. Judy Curtin moved to retain the current Board (except for Ernie Dunlevie, Member-at-Large). Gail Mahoney seconded the motion. The motion passed unanimously.

Budget. Bruce noted that assessments have not been raised in a few years. The original proposal from HOAMCO was for over 25% increase. Bruce said he had reviewed the proposed budget and found that part of the reasoning was that the \$21,000 put in the Reserve Fund this year cannot be used to offset the approximately \$10,000 overage in the operating expenses. The proposed budget all members have received reflects about a 10% increase. Dawna stated that the PUC sent a letter stating that KN Energy will be increasing its charges by 24% effective January 1, 2004. Dawna then reviewed the proposed budget and found that the budget item for KN Energy would need to be increased about \$1,000 from \$9,500 to \$10,500. She stated the overall budget increase will still be around 10%.

Bruce said he reduced the amount being allocated to the Reserve Fund to help keep the assessments down. The Reserve Fund currently has \$114,000, with the breezeway project to be paid from this fund. Bruce said this homeowners' association is in pretty good shape compared to other associations in Mountain Village, but large expenditures (such as replacing the roof) could hurt.

Dawn reviewed and explained the proposed budget line items, noting that several items (such as trash) have increased this year and other items were over-budgeted last year and have been lowered on this proposed budget. Items of concern were:

1. Exterior General Maintenance which was budgeted for \$1,000 and used \$8,000 last year, including roof repair, swallow removal, and a 2002 expense that was not billed until 2003.
2. Dawn stated that painting is not a capital expense and cannot come out of the capital account. The association could, however, start a separate reserve account for painting. At the present time, the painting has not been included in this proposed budget.
3. Boiler Maintenance was over budget by a little over \$5,000 for 2003. With the assumption that all the major repairs were accomplished in 2003, this item was left at \$1,000 for 2004.
4. Elevator Maintenance was over budget by about \$146. Each May this item increases a little bit. This year the increase was 9.6%. With the assumption the

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increase will be about 9.6% again this May, the budget amount was raised from \$2,600 to \$3,080.

5. Elevator Telephone was over budget in 2003, so the \$250 was increased for 2004 to \$606.
6. Interior General Maintenance – with two corrections, this item was changed to \$3,000 for 2004.
7. In May, there was a 6% increase in Pest Control, so the 2004 budget amount includes another 6% increase starting in May 2004.
8. The amount budgeted in 2003 for Common Electricity did not include the expense for November and December 2002 of approximately \$2,500. The 2003 costs (excluding November and December 2002) were approximately \$11,600. Therefore, this item was over budget in 2003 and has been budgeted at \$12,000 for 2004.
9. Natural Gas was over budget about \$350 for 2003. Because of the KN Energy increase, this item has been increased to \$10,500 for 2004.
10. Water and Sewer will increase slightly, so this item was raised to \$10,400.
11. Fireman's Fund did not increase its insurance premium as much as other companies, although it was raised a little. Therefore, this budget item was raised only \$400 to \$9,450.
12. Capital Reserve was overspent previously, so the \$10,000 figure is to reacquire the funds overspent this year. Bruce asked for approval to apply the last quarter's assessments to the overage instead of putting them in the reserve. No one was opposed to this plan. Bruce reiterated that he had lowered this line item to \$15,000 from \$21,000 to help keep the assessments down.
13. Dawna suggested that the Roof Tile Maintenance budget be \$2,500 so that broken tiles can be replaced as needed without going over the budget. This is a maximum figure for this maintenance item.
14. With regard to Painting, until the funds actually go into the reserve account, the funds are available for use. (Once they go into the reserve account, they must be used for specified purposes.) So, funds could be reallocated for the needed painting if necessary and not placed into the reserve account. This way assessments would not be increased an additional amount, although the reserve account would not be increased as much, if at all. The members present were in agreement.

The following changes will be made to the proposed budget as presented today:

1. The telephone conference was reduced from \$1,500 to \$1,100.
2. Natural gas will be increased from \$9,500 to \$10,500.

This will result in a net increase of \$600 to the proposed budget of \$110,544.14.

___ (female) ___ moved to accept the budget. Ronnie Crocker seconded. The motion passed unanimously.

Bill Groner stated that when he turns on his hot water, he gets cold first, and when he turns on cold water, he gets warm water first (5 seconds or so). There could be a bad

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backflow valve or the water pipes could be next to in-floor heating pipes. Bill will reassess the situation when he is at the unit in a couple weeks and will advise Dawna exactly what is going on.

A question was raised about the "Rock and Roll Academy" rumored to be leasing Marty Bregman's commercial space. Dawna will see if she can find out what is happening.

A question was raised about the leak in the hallway to the elevator just past the lockers. ___(Dawna?)___ said Dick thinks the leak might be coming from the roof and he is investigating the problem.

Following a question from Bruce, John said the wall is holding up and does not need further attention. No more word has been heard about the lot next door.

Dawna said on the back side of the building where the gas pipes and the meters go down to the boiler room, there is water coming through and going over the electrical panel. She said it has been caulked and areas have been filled in where some dirt was moving away from the wall. If this doesn't work, a trench might need to be dug for drainage. She said this might be a Metro issue.

Several people said they had not received their garage door keys (openers). Dawna said Dick has one and she will send Gail another key. Ronnie Crocker's tenants have received a key. Margie's have been sent and she should receive them soon. If a member does not have a parking spot, they would not be receiving a key.

A question was raised about outside people parking in Westermere spaces. Dawna said the Minutes provide for a sign stating that this is privately owned parking and violators will be towed. She will acquire such a sign. Dawna stated, too, that lately the houseman has been chasing people off before they even get parked. Bruce said if someone is parked in his space and a call to ReserveQuest reveals that no one is renting his unit, then he wants the vehicle towed. He also suggested that rather than chasing off the violators, Dawna should just call a tow truck; sooner or later, the violators will stop parking in Westermere's spaces. It was noted, however, that each owner must give their permission to have the violating vehicles towed and this cannot be done by proxy. Several owners gave their permission immediately. Bruce suggested that Dawna find out if the towing company would give the association a percentage of their towing fees as is done in Chicago. Dawna will ask the towing company.

Judy questioned whether she was correct in the belief that all the homeowners (with or without parking spaces) have access to the elevator. The members present were in agreement. Dawna said she will get Judy a key so she can pull into the garage to unload near the elevator. There was no objection.

Gail said that several people had stated that her brother-in-law Dick could park in their spaces when they are not around. She asked how that should be handled. The decision

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was made that passes should be provided for this purpose. Dawna said that Dick was going to ask Mike Cashman if he could park in the Cashman space.

If no one is in the office (after hours or on weekends), Dawna has a 24-hour answering service which can be called in order to arrange to have vehicles towed during off hours.

There being no further business to come before the meeting, upon motion made by Gail Mahoney, seconded and carried, the meeting was adjourned.

Respectfully submitted,

Approved at December 6, 2004
Annual Owners Meeting
Diane Wolfson, Manager