

MINUTES OF OWNER MEETING

Association Lulu City Condominiums

Date December 14, 2013

Location Wilkinson Public Library – Telluride Room

Owners Present Barbara Hunt, Stephan Godevais, Anthony & Dorothy Vinter (proxy to Mike Rich), Mike Rich, Peter McGinty, Lizard Head Realty (proxy to Jan Davy), David & Michael Zutler (proxy to Peter McGinty), Jan Davy, George Norcross (proxy to Jan Davy), Lulu City unit 6E (represented by Jan Davy), Paul & Lana Pippin, Dan Peterson, Pat Cargill, Mike Walker, Mike Delsart, Neal Elinoff, Mary and Chris Koprowski

Others Present Nicole Pieterse (Legal), Dan Witkowski (Full Circle), Hilary Swenson (Full Circle)

Meeting called to order at 10:15 a.m. MST.

Roll Call. Proof of notice. No objections to notice.

Motion by Mike Pippin, second by Mike Walker to approve the May 15, 2013 Meeting Minutes. Motion passes by unanimous vote.

Motion by Mike Pippin, second by Mike Walker to approve the June 5th, 2013 Meeting Minutes. Motion passes by unanimous vote.

Mike Delsart joined the meeting at 10:20 a.m.

Neal Elinoff joined the meeting at 10:21 a.m.

Managers Report by Dan Witkowski

Budget Discussion led by Hilary Swenson

- Jan Davy added the association will want to repair/replace hot tub in the near future
- The board will need to prioritize repair projects (Bldg 3 deck assemble, trim & timber painting Bldg 3 & 4, crawl space repair, pool & hot tub)

Mary & Chris Koprowski joined the meeting at 10:39 a.m.

Motion by Dan Peterson, second by Mike Walker to approve the 2014 Proposed Budget. All in favor except Neal Elinoff opposed. Motion passes.

The owners would like the board to consider an assessment to replace the hot tub at the next board meeting.

Nominees for the Board of Directors are Jan Davy, Mike Rich, Mike Pippin, Mike Walker, Pat Cargill, Patrick Gilhool and Neal Elinoff

The following directors were elected by secret ballot counted by Full Circle: Jan Davy, Mike Rich, Mike Pippin, Mike Walker, Pat Cargill, and Patrick Gilhool

Update from Nicole Pieterse legal issues and loan finance agreement.

- The best course of action is to terminate the current agreement and to put an assessment lien in place. The payment terms remain the same, and do not require the owners to consent. The termination and new lien would be done at the same time.

Dan Witkowski read aloud an e-mail from Michael McAllister regarding the Elinoff Special Assessment and the response from Full Circle.

The BOD has made a priority to re-work the agreements to protect any future foreclosure defaults. In the past Mark Kriger said that we would seek legal representation to review the Elinoff case and its outcome, the BOD has not heard any response from Mark Kriger. The issue will be continued to be discussed and the BOD will follow up.

Discussion regarding the Peterson remodel and the required consents.

Dan Witkowski read the Vinters letter regarding the lot 48A Pearl Property development. Lulu City owners are encouraged to attend the Town Council meeting to express their support or lack of support.

Mike Delsart addressed the cost associated with maintaining and repairing the hot tub vs. a new hot tub. Mike Delsart supports the association getting a new hot tub made of concrete and tile vs. a plastic tub.

Dan Peterson introduced the idea of creating an endowment fund to update the common area in Bldg #6 and a new hot tub. Mike Rich suggested the association take a short term loan to purchase a new tub.

Meeting adjourned at 11:59 a.m. MST.

THE FOREGOING MINUTES WERE APPROVED BY THE OWNERS AT ITS MEETING HELD ON December 6, 2014.

Signed: /s/ Hilary Swenson

E-mail from Michael McAllister and response from Dan Witkowski

From: Dan Witkowski [Dan@FullCircleHOA.com]
Sent: Friday, December 13, 2013 6:49 PM
To: Jan Davy - Board President; Mike Pippin - Treasurer; Mike Rich - Board Member; Mike Walker - Board Member ; Peter McGinty - Vice President
Cc: Stephan Godevais; Barbara Hunt; Peter McGinty - Vice President; 'Jennifer Hayes - Secretary'; Mail @ Full Circle HOA
Subject: Lulu City -

Michael,

I'm not sure what exactly you were looking for from the board in a letter. Your request is the afternoon before the meeting, so I'm trying to respond as best I can.

Because of the court's ruling in the Elinoff case, the association is obligated to pay off debts incurred by the Elinoff unit, including payment of Elinoff's unit's proportional share of the association's loan from Alpine Bank. These debts also include costs and legal fees that the Association has already incurred and paid for (by borrowing from reserves). This isn't optional.

The association has experienced a loss and will continue to incur operational losses, and must raise the money by imposing a special assessment. We had distributed the breakdown of these losses and costs for the last owners meeting to restate the 2013 budget.

On the allocation page of the proposed 2014 budget you'll see the column titled "Elinoff Annual Special Assessment". This assessment was broken out separately from the operating assessment because we wanted each owner to see how it affects them specifically. This assessment will be billed to owners on a monthly basis in 2014 and 2015. We expect the total Elinoff debts to be repaid by the end of 2015. You can also see where the total costs of the Elinoff bankruptcy is summarized on page 1 of the budget in cell I6.

The association does not have a choice about whether to raise funds to pay the expenses resulting from the Elinoff bankruptcy. There is some flexibility about when to pay it. The proposed 2014 budget reflects the board's choice to pay it sooner rather than later.

Please let me know what additional information would be helpful.

Regards,
Dan

-----Original Message-----

From: Michael McAllister

Sent: Friday, December 13, 2013 1:16 PM

To: Swenson Hilary

Cc: Davy Jan; Hayes; hunt barbara; godevais stephan;
McGinty Peter

Subject: Ellinouf

Hilary,

Can you please request a letter from the board to the homeowners on the Ellinouf situation? I just reviewed the budget and obviously was not pleased to see a cost for Niel. Especially after volunteering my time to the HOA on remodel and repair issues over the last year. If we can all have a chance to review this prior to a meeting it will help if the board expects anyone to pay that bill. I obviously have no intent to pay.

I think we all need to see the final resolution from our last big meeting and a report of the final cost broken down by line item. Also if the idea is to pay this over time I think we need to see that broken down with any cost to that process. We need this in English not legal or accounting language.

Thank you,
Michael

Sent from my iPhone=