

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

June 28, 2008

**DIRECTORS PRESENT:** Sandra Cushman, Bo Keith, Bill MacGuffie, and John Marinan. Note: Former President Stephanie Huss resigned from the Board of Directors on November 16, 2007, when she and Phil sold their unit. On January 26, 2008, the Board decided to leave the position unfilled.

**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), John and Carolyn Gillis (422/204), Robert Beers (423/205), Lisa Gray (426/208), ECA (Jim Shoultz) (428/210), Paul and Lynn Strausbauch (429/211), 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), Doyle and Pat Pickett (719/501), Thomas and Bettye Alexander (720/502), Mark Seiter (Durango Mountain Resort) (724/506).

**MEMBERS PRESENT BY PROXY:** Scott and Jacqueline Schaefer (322/104), Susan Beckmann (326Q-D/108), Dwight and Debbie Brewer (324/106), Charles and Carolyn Wait (523/305), Chester and Diana Stewart (525/307), Billye Bradley (619/401 & 620/402).

**GUESTS PRESENT:** Lisa Leininger, Bookkeeper.

## MEETING NOTICE

Prior to the meeting, a package of materials dated May 31, 2008, was mailed to the Members containing the agenda, meeting minutes of the June 23, 2007, 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 10:20 a.m. by Vice President Sandy Cushman.

## 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; Members of 17 units were present in person, and 7 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 23, 2007. A motion was made by Dr. David Armbruster and seconded by Tom Alexander 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, Bo Keith, Bill MacGuffie and John Marinan have agreed to remain on the Board for another year, and Don McCandless has agreed to be nominated. The President asked for nominations from the floor. There being none, a motion was made by Bob Beers and seconded by Lynn Strausbauch to accept the nominated Board Members: James Biglane, Sandy Cushman, Bo Keith, Bill MacGuffie, John Marinan, and Don McCandless by acclamation. The motion passed unanimously.

## **VICE PRESIDENT'S REPORT**

Sandy gave a report on the past year's activities as follows:

1. Significant capital expenditures were made since the last annual meeting:
  - Upgrade of the elevator control system has been completed.
  - The pool fence was improved for safety by welding additional bars in between the original bars, and has been repainted.
  - The driveway entrance to the parking garage was replaced with concrete, and French drains were installed to alleviate undermining by subsurface moisture.
  - A new water-softening system has been installed.
  - Deck rails have been ground, primed and repainted.
2. There have been few parking problems since the spaces were numbered, and Jim has been able to accommodate parking for owners and guests with more than one vehicle.
3. Significant repair has been made on the parking garage ceiling where roof drains were frozen and leaked onto the ceiling.
4. Five additional storage cubicles for owners have been installed in the old massage room/sauna area. Three are still available for rent.
5. Ski lockers are available on the 1<sup>st</sup> floor for owners and the public to rent during ski season.

The property manager's report, a compilation of all of the periodic reports to the board, was presented as a handout and is attached to these minutes.

The financial report and 2008 budget were presented:

1. Budgeted income is \$294,444.47, and budgeted expenses are \$244,218.63.
2. The capital expenditures that have been made this past year have reduced the reserve account. However, there are no comparable large capital expenditures anticipated so that account will be built back up this year. Now \$3,512 per month is going into the capital account as well as all initial buildout fees.
3. The monthly buildouts assessments of approximately \$1545 are kept in a separate account. The mortgage for the ECA unit 428 now has a balance of approximately \$186,488. The board expects to pay down the principle when the funds are available.
4. The operating account now has \$11,460 and the capital account has about \$85,891.
5. A written appraisal of the Eolus building has been obtained to make sure we are adequately covered for replacement cost of the building. The appraisal was for \$14M and our insurance was increased to that amount.
6. A motion as made, seconded and passed that any excess revenue over expenses for the year ended December 31, 2007, and the year ending December 31, 2008, shall be applied against the subsequent tax year operating assessments as provided by IRS Ruling 70-604.
7. New coupon books for payment of monthly assessments were distributed. For owners not in attendance, they will be mailed.

An open discussion was held:

1. Property Manager Jim Shoultz was complemented for his work in maintaining the operation of the building, especially the hot water and softening systems.
2. The two hot tubs and the pool (85 degrees) are now open.
3. It was suggested that additional corner guards be installed in the elevator lobbies to prevent damage from carts.
4. Upon the suggestion of Ray Churan, a "how to" session was held in the north stairwell to instruct owners on turning off the sprinkler system water on each floor in case of a flooding incident.
5. Some entry doors need to have weather stripping replaced. This is an owner responsibility, but Jim will do this on a case by case basis if the owner will contact him.
6. We will continue to consider security surveillance cameras in the pool and spa areas, and in the elevator lobbies.
7. Mark Seiter reported that DMR is working on cleaning up the back of Village Center and moving the dumpsters.

There being no further business, the meeting was adjourned by Sandy at 11:25 a.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 28, 2008

**DIRECTORS PRESENT:** Sandra Cushman, Bo Keith, Bill MacGuffie, John Marinaran and Don McCandless.

The meeting was called to order by Vice President Sandy Cushman.

The purpose of the meeting, as an immediate follow-on to the Annual Meeting, which included election of Directors, was to elect Officers for 2008-2009.

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

President – Sandy Cushman

Vice President – John Marinaran

Secretary - Bo Keith

Treasurer – Bill MacGuffie

Also appointed were:

Assistant Secretary – Cindy Hills

Assistant Treasurer – Diane MacGuffie

By mutual consent, the next meeting of the Board of Directors was set for Saturday, September 20, 2008, at 9:30 a.m. The place will be determined and all Directors will be notified.

There being no further business, the meeting was adjourned.

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Bo Keith, Secretary

# Property Managers Report to the Annual Homeowners Meeting June 28, 2008

This is a compilation of the Property Manager's reports to the Board during the year since the last homeowners meeting.

## Eolus Condominium Association 10/13/2007 Property Manager Report

### ACTION TAKEN:

- 1) August 20<sup>th</sup> Stew's last day, ran Durango Herald ad and interviews for New Assistant, September 7th, hired: Chad Abbott: 970-764-7507
- 2) Vacuum & Power Wash 1<sup>st</sup> & 2<sup>nd</sup> floor garages.
- 3) Paint 2<sup>nd</sup> floor parking garage columns, walls, ceiling and re-stripe parking spaces and walkways.
- 4) Met with Arrow Fire & Safety to update all ECA Building fire extinguishers.
- 5) Met with General Pest Control/Orkin to spray building for flies and insects.
- 6) Met with Griego's Lock & Key to repair/re-key Spa entry door lock, new keys for Units.
- 7) Met with Roto Router to razor clean 1<sup>st</sup> & 2<sup>nd</sup> floor clogged garage drains of sand/dirt and debris.
- 8) Met with Superior Alarm to replace several old smoke detectors in Units 719, 426 that were setting off the alarm system. **(It is recommended by Superior Alarm to replace all certain old style existing smokes (23 yrs old) and upgrade to the new smoke alarms being installed. The new alarm and installation will be \$100 per unit +/- (smoke alarm & labor) billed to the owner of the unit. Some Units have already been changed in the past. Some larger Units may have several old smokes.)**
- 9) Met with Stephanie Huss, Sandy Cushman, John Marinan, Bo Keith, all of ECA BoD, and Mark Seiter, George Stahl, Annie Simonson all of DMR concerning ECA driveway entrance damage/repairs and possible cost sharing.
- 10) Met with Walter Miller (DMR) to locate and mark utilities on knoll for bid work.
- 11) Met 3 times with Leeder Construction and S & S Excavation concerning driveway damage & repair, bid requested.
- 12) Met with John M. (ECA) and Bill Newman of Constructive Concepts, discussed driveway repairs and requested a bid. (\$12,000 +/- received)
- 13) Met with John M. and Bo K. to discuss and locate and build new storage closets in old Spa storage room.
- 14) Met with John M. (ECA), Sam Stewart and Kevin Burke of ThyssenKrupp Elevator Company concerning elevator repair issues and equipment upgrades. Requested bid for repairs and upgrades.
- 15) Met with Durango Fire Protection to test and certify ECA Building Emergency Automatic Fire Sprinkler Line per Colorado State Fire Inspector request.
- 16) Met with KIVANET several times regarding Internet System work in building.
- 17) Met with ECA Building Insurance Inspector to review Units and Building for policy increase.
- 18) Met with Pete Eastwood of Silver Mountain Construction and scheduled cliff swallow nest removal and net installation work.
- 19) Met with Out of Site Window Cleaners to re-clean exterior windows in Units 719,722,619,620,621,622,519,520,521,419,420,421,422 exterior windows in building due to cliff swallows debris.
- 20) Met with Culligan Water on new water softener system installation. Equipment installation and scheduled shut down time, work schedule. Both cold and hot water are being treated with the new system.

- 21) Received notice of pipe banging near Unit 319, contacted Culligan and met with them, discussed issue and made valve repair near softener tanks. Repaired pool underwater light due to vandalism.
- 22) Pool winterization work completed, 1/3 drainage, cleaning, chemical treatment to pool water preparation, service and drain pool furnace, drain pool pumps, closed security signs and chain installed, installed pool cover, pool furniture removed to storage.
- 23) Schedule Best Cleaning, clean all lobby carpet floors/mats, Spa carpet area November 19<sup>th</sup>. Invoice ECA for the Spa carpet area, 3<sup>rd</sup> floor, and invoice DMR for carpet cleaning 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> floors due to DMR housekeeping.
- 24) Repair areas located around the exterior and interior of building.
- 25) Performed all daily/weekly/monthly janitorial and maintenance items.
- 26) Addressed owner, guest, hotel calls and contacts concerning various issues.

**Capital Improvements:**

- 1) Level 2 parking garage entrance, enlarge and replace concrete slab and french drain on north end. (\$12,000 +/- bid received) **(Work in Process)**
- 2) Water softener's upgrade. (\$30,000+/-) **(COMPLETED)**
- 3) Elevator equipment repairs/upgrade. (\$65,000 +/- in 1/2 yrs. bid received) **(MAY 08')**
- 4) Prep & Paint all green railing/stairs. (\$20,000-\$22,000 bid received) **(MAY-SEPT 08')**
- 5) Additional storage closet. **(MAY 08')**
- 6) Laundry room installation. (TBD) **(TABLED)**

Thank you,

Jim Shultz  
Property Manager  
Eolus Condo. Assoc.

**Eolus Condominium Association**  
**Board of Directors Meeting**  
**1/26/2008**  
**Property Manager Report**

**ACTION TAKEN:**

- 1) Winterize all units.
- 2) Handle Ski locker rentals.
- 3) Brace Stand Pipe at 1<sup>st</sup> floor garage entrance.
- 4) Vacuum & Power Wash 1<sup>st</sup> & 2<sup>nd</sup> floor garages.
- 5) Extreme amount of snow removal since December 16<sup>th</sup>.
- 6) Repair areas located around the exterior and interior of building.
- 7) Performed all daily/weekly/monthly janitorial and maintenance items.
- 8) Addressed owner, guest, hotel calls and contacts concerning various issues.
- 9) Met with KIVANET several times regarding Internet System work in building.
- 10) Guest damage to food cart and will need to replace.
- 11) Roof leak in Unit 722, searched for leak on roof, shoveled 5' snow and can't locate. Went in to Unit and cut hole in ceiling and wall to local leak and a repair on one location but still leaks from others. This will need to be looked at for further repairs.
- 12) Met with and overviewed the new driveway pad to be installed. Starting with excavation (Neechi Const.), Billie Bob on concrete work, after concrete was laid and contractor clean up was done, Chad and I reworked the landscape area and install large boulders around the building and driveway area. Multiple photos were taken for record of the work.
- 13) Best Cleaning scheduled to clean carpet areas in the lobbies.
- 14) Scheduled Greigo's Lock and Key to install new lock set and handle to spa entrance door.
- 15) Superior Alarm install new smoke detectors in units to be compatible with the smoke and fire alarm system.
- 16) Fire Protection Line breaks in Units 320 (2), 425 (1), 3<sup>rd</sup> floor lobby (1). 1 in Unit 320 and 1 in Unit 425 caused water damage, the other 2 times were caught before water leak.
- 17) Scheduled Durango Fire Protection several times for Fire Line Sprinkler Head replacement.
- 18) Several Insurance Company adjustor meetings on damages in Units from Fire Line breaks.
- 19) Best Cleaning truck damage to 2<sup>nd</sup> floor garage entrance ceiling near mailboxes, damaged ceiling light and sheetrock.
- 20) Phillips Electric removed old electrical wiring in the spa storage area. To have ready for the new storage units to be built soon.
- 21) Met with Culligan Man on the water softener system shutdown creating no water or pressure in building. Reviewed the system timing and settings and rescheduled times for operation of softeners.
- 22) Address Alexander's in Units 326/421/525/624 of unstop complaint issues concerning the Hot Tub Temp, and explained the conditions and usage affecting the water temp. We were in an extreme cold front with temp's ranging from 5 degrees to 22 below in addition to cover left off and overcrowding the Hot Tubs causing water to go below the low level shut off.
- 23) Address the Haltom's in Unit's 328/329 concerning the damage to Hot Tub and snow removal. The ECA Maintenance did not cause the damage. It is my recommendation that the Haltom's be made aware that the roof and several decks above them may drop snow from the edges onto the 3<sup>rd</sup> floor deck and possibly hit their Hot Tub.

**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+/-) **(COMPLETED)**
- 2) Water softener's upgrade. (\$30,000+/-) **(COMPLETED)**
- 3) Elevator equipment upgrade. (\$35,000+/- in 3/5 yrs.) **(MAY)**
- 4) Prep & Paint all green railing/stairs. (\$20,000-\$22,000) **(MAY-SEPT)**
- 5) Additional Storage Closets. **(MAY 08')**

Thank you,  
Jim Shultz  
Property Manager

**Eolus Condominium Association**  
**Board of Directors Meeting**  
**4/05/2008**  
**Property Manager Report**

**ACTION TAKEN:**

- 1) Handle Ski locker rentals.
- 2) Vacuum & Sweep 1<sup>st</sup> & 2<sup>nd</sup> floor garages.
- 3) Extreme amount of snow removal in January-February.
- 4) Repair areas located around the exterior and interior of building.
- 5) Performed all daily/weekly/monthly janitorial and maintenance items.
- 6) Addressed owner, guest, hotel calls and contacts concerning various issues.
- 7) Met with KIVANET several times regarding Internet System work in building.
- 8) Roof/Ceiling leak in Unit 722, continue to monitor repair area and schedule unit ceiling repairs when able after snow melt.
- 9) Met with Billie Bob and John Marinan to overview the damage of new driveway concrete.
- 10) Superior Alarm finished installing new smoke detectors in units to be compatible with the smoke and fire alarm system.
- 11) Met with Phillips Electric and installed light fixtures in new spa storage room.
- 12) Tentative Elevator upgrade date is the weeks of May 5<sup>th</sup> and 12<sup>th</sup>.
- 13) 1<sup>st</sup> floor garage concrete floor movement noticed near ECA Maintenance office, entry to 1<sup>st</sup> floor garage near the bottom steps from 2<sup>nd</sup> level garage, trash dumpster area. I discussed this with John Marinan and we had a core sample taken. We are waiting on test results for further action.
- 14) Chad, my Assistant quit on February 11<sup>th</sup>, tried to hire a replacement and unable to find help due to location of applicants. I have been on call and work 24/7 since that time.
- 15) March Spring Break was HELL! Building was 100 % full, hired extra security to help for the weekends of March 8<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 22<sup>nd</sup>, and 23rd. These guests are unbelievable with disregard to the Eolus building property. Most issues created by DMR Hotel guest's rentals and a few owners that just don't care.

**Capital Improvements:**

- 1) Water softener's upgrade. (\$30,000+/-) **(COMPLETED)**
- 2) Elevator equipment upgrade. (\$35,000+/- in 3/5 yrs.) **(MAY)**
- 3) Prep & Paint all green railing/stairs. (\$20,000-\$22,000) **(MAY-SEPT)**
- 4) Additional Storage Closets. **(MAY 08')**

Thank You,

Jim Shoultz  
Property Manager

**Eolus Condominium Association**  
**Board of Directors Meeting**  
**6/14/2008**  
**Property Manager Report**

**ACTION TAKEN:**

- 1) Addressed owner, guest, hotel calls and contacts concerning various issues.
- 2) Performed all daily/weekly/monthly janitorial and maintenance items.
- 3) Repair areas located around the exterior and interior of building.
- 4) Vacuum, sweep and power wash 1<sup>st</sup> & 2<sup>nd</sup> floor garages.
- 5) Winter clean up of building and landscape areas.
- 6) Winter shutdown and microbes in all units.
- 7) Roof/Ceiling leak repair in Unit 722.
- 8) Concrete repair at trash dumpster.
- 9) Replace or repair valves in unit 627 main line, unit 424 both valves.
- 10) Repair garage lights that were damaged in winter due to vehicle height and tearing them out.
- 11) Repair 2<sup>nd</sup> floor garage ceiling and replace broken pipe from roof drain leak above parking spaces 528-619-620.
- 12) Install new 2<sup>nd</sup> floor garage entrance height restriction notice and beam to protect garage lights.
- 13) Elevator upgrade completed the weeks of May 5<sup>th</sup> and 12<sup>th</sup>.
- 14) Met with Valley Sheet Metal on spa/pool roof repair and estimate on 3<sup>rd</sup> floor deck drip edge.
- 15) (\*Can't locate a roofer with the same type of panel as the spa roof, 3<sup>rd</sup> floor drip edge on deck not sure of a design that will last on building. East stairway roof overhang drip gutter and downspout \$506.00.)
- 16) Met with Stucco repair contractor for repairs and estimate to building stucco areas.
- 17) (\* Due to the type of repairs it will be time and materials.)
- 18) Schedule Be-Wise Chimney Sweep clean and inspect chimney's all units.
- 19) Schedule Out of Site Window cleaner's to clean exterior windows.
- 20) Schedule Best Cleaning to clean carpets in lobbies share cost with Village Center Hotel.
- 21) Paint building area's hallways, garage, spa room, hot tub, and new storage unit door.
- 22) Complete new hire Brandon Middleton living arrangements at Purgatory Townhomes.
- 23) Evaluate pool work to be completed, materials and equipment to make new addition and repairs for upgrades.
- 24) Hire Cooper Wesson to help Brandon with pool fence paint and rust removal scraping prep for new paint and installation of iron to pool code.
- 25) Purchase, install and weld additional iron in pool fence area to code with Stew.
- 26) Paint pool fence, pool deck floor, and 3rd floor railing above pool and stair walkway to building entrance.
- 27) Schedule delays with pool area due to weather snow and rain and material delays.
- 28) Several days of prep and cleaning of pool for opening. Install pool furniture, plants and grill.
- 29) Purchased National Spa and Pool Operator Certification training materials and have begun to prep for certification.

**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+/-) **(COMPLETED)**
- 2) Water softener's upgrade. (\$30,000+/-) **(COMPLETED)**
- 3) Elevator equipment upgrade. (\$41,000+/-) **(COMPLETED)**
- 4) Prep & Paint all green railing/stairs. (\$20,000-\$22,000) **(IN PROCESS)**
- 5) Additional Storage Closets. **(COMPLETED)**

Jim Shultz,  
Property Manager

# Eolus Condominium Association

6/28/2008

## Property Manager Report

### ACTION TAKEN:

- 1) Swept 1<sup>st</sup> & 2<sup>nd</sup> 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 25<sup>th</sup>.
- 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 25<sup>th</sup> installing netting and removing mud from building.
- 6) Pool summerization 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) Prep & Paint all green railing/stairs. (\$20,000-\$22,000) (MAY-SEPT. 08')

Thank you,

Jim Shultz  
Property Manager  
Eolus Condo. Assoc.