

November 6, 2017

Dear Daniels HOA Members,

We will be having our Annual Meeting on December 5, 2017 at 6 PM MT at Wylene's loft. I have set up a conference call for those who cannot participate in person, details of which can be found below.

Following is the formal agenda for the meeting:

- Review 2017 financials
- Update on building maintenance and status
- Review planned 2018 building maintenance
- Approve 2018 budget
- Nomination and Election of Officers – Laurie (Treasurer) and Diane (Commercial Representative) two-year terms are up. Laurie has recently sold her loft and resigned from the Board. I'd like to thank Laurie for her many contributions to the HOA. Please let me know if you are interested filling the open Board seat and performing the role of Treasurer. Diane has decided to seek re-election to the Board as the Retail representative for a second two-year term. Please feel free to nominate yourself for an open Board seat if you are interested. Mark has one more year on his two-year term.
- Open discussion.

Please let me know if you have an item that you would like added to the agenda.

If you are unable to attend in person or via the conference call, please consider giving me, or another owner, your proxy so as to ensure a quorum for the meeting. You may send me your proxy via email at mark.ruport@gmail.com.

Conference Call Information:

Telephone number: 866 740-1260

International number: 303 248-0285

Access code: 6302243

(Please note that you will be put on hold until I join the call after we are all gathered at Wylene's, which might be a 5 to 10 minutes after 6 PM MT.

Our governing documents, monthly financial statements, Reserve Studies, Board Meeting minutes and budgets can be found on our website at <http://www.danielslofts.org>. I have attached our proposed 2018 Budget for your review.

As you are aware, we are very proud of our building and have been able to keep it in great shape for the last 16 years. We have been able to control our monthly operating expenses and address major maintenance issues with minimal increases in monthly HOA dues. Although we are slightly below our targeted Reserve balance, it is our recommendation that HOA dues remain at their current rate.

The Board has approved the following maintenance items to be funded out of our Reserve Fund in 2018:

- Remodeling of retail hallway and bathrooms \$7,000*

- Obstruction testing of fire systems 2,900
- Garage door motor replacement 1,000**
- Replacement of intercom system 800**

* This is an estimate. Looking to finalize cost by Annual Meeting

** If needed.

Please do not hesitate to call or email me if you have any specific questions prior to the meeting. Thanks in advance for your participation and cooperation.

Mark Ruport

Attachments:

- 2018 Proposed Budget
- Updated Information for Owners
- Updated Information for Tenants

High-level Financial Analysis

2017 Budget Variance*	<u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
Income	\$ 56,964	\$ 58,142	\$ 1,178
Expenses	<u>43,570</u>	<u>43,568</u>	<u>2</u>
Net Income	\$ 13,494	\$ 14,574**	\$ 1,180

* Actual through October and forecasted November – December

** 25% contribution to the Reserve Fund

2017 Proposed Budget

Income*	\$ 56,964
Expenses	<u>43,570</u>
Net Income	\$ 13,394*

*24% contribution to Reserve fund

Reserve Fund Analysis (Forecasted)	<u>YE 2017</u>	<u>YE 2018</u>
Checking	\$ 14,463	\$ 8,000
Savings	89,277	104,334
Planned Expenditures	<u>-4,800</u>	<u>-9,900</u>
Ending Balance	\$ 98,940	\$ 102,434