

SnowCrest Annual HOA Meeting Minutes from August 4, 2006

Management Company Representatives Present: Kendall Collins

Call to Order

Randy Leeds called the meeting to order at 9:10 am.

Confirmation of Notice

Kendall Collins confirmed that notification of the annual HOA meeting and Proxy requests were sent out in April, 2006.

Roll Call

Chuck Mitchell held roll call and a quorum was established.
27 units were represented either by attendance or proxy.

Reading of Last Year's Minutes

Ken Schoenebeck made a motion to waive the reading of the minutes and approve them as published.

Ron Kobernik seconded the motion.

Motion was approved by a majority vote.

Management Report

CRESTED BUTTE MOUNTAIN NEWS

The ski area finished the season on a strong note with sunny skies, warm temperatures, and lots of skiers. Paid skier days finished just slightly (4,000) ahead of last year, but total skier days were about 9% (35,000) ahead of last year, finishing at 410,000. Great snow conditions throughout the year boosted season pass usage. In addition, nearly three times as many x-cards were sold in the Denver-metro area. We continue to notice a more affluent guest visiting the resort and skier days from the Northeastern part of the country continued to climb this year. The American Airlines flight from Denver was a rousing success, with a load factor of nearly 70%. American has announced that they will continue their service next year through April 10, 2007 and will increase it by flying the extra Saturday flight the entire season instead of just February and March. United Airlines will continue the same service as last year with a daily airbus and three daily commuter planes from Denver.

CBMR will invest \$4,000,000 into capital improvements this summer (not including Mountaineer Square). Mountain improvements include an upgrade of the East River Lift to a high-speed quad and continued upgrades to the snowmaking system. In addition, design work has begun for the new Red Lady Lodge, which will be constructed next summer.

MAINTENANCE

Basic maintenance projects completed this year, but not limited to include:

- Deck and railing repair and paint
- Touch-up exterior painting
- Common area laundry facilities new linoleum and new laundry machines
- Minor hot tub repairs
- Grade work in front of lower units
- Minor stucco on bridge

Officers' Reports

PRESIDENT'S REPORT:

Randy Leeds stated "Last year was mostly a year of keeping up maintenance and holding the status quo. I want to thank David and RB for staining and painting the stair and deck railings. Overall I think the condo complex looks pretty good.

The Board, after reviewing and considering other options, has voted to have CBC manage Snowcrest for two more years with no fee increase on the condition that the Board assumes the responsibility of taking meeting minutes.

We no longer have road (vehicle) access to the lower units 17-25. The developer of the Villas did offer us a small access easement on their property. Unfortunately, the offered easement wasn't large enough to include the existing road in its current location; thus requiring us to rebuild the road into the hill side which would require costly retaining walls and substantial regrading of the entire roadway. Coupled with this and the developer's request for landscaping and a new drainage system for our parking lot stormwater, the Board declined the easement offer. The Board is actively working with CBC on planning for both a short term and long term solutions for snow removal and construction access.

Ken Schoenebeck has chosen not to pursue another term on the Board. Snowcrest thanks you Ken for your many years of service and appreciates all the time that you have volunteered.

TREASURER'S REPORT:

David Miller gave an overview report on the balance sheet, budget projections and on the other financial documents. This material was previously mailed to all homeowners with their July statements. Highlighted points were as follows:

*The operating deficit as of 4.30.06 was reduced to \$4,469. This compares to the deficit of \$22,748 when the prior year ended 4.30.05.

* The projected budget for this current year includes additional funds for snow removal. In each of the past two years, this expense category was under budgeted.

*The allocation of homeowners' dues was reviewed in detail. The majority (60%) of expenditures were either applicable to fixed expenses (e.g. insurance, water, trash removal) or allocated to reserves (roof and capital). The remaining expenditures were applied to variable/ controllable expenses (e.g. landscaping, maintenance, snow removal).

SECERATARY'S REPORT:

Chuck Mitchell gave a summary of the changes in insurance coverage as follows:

At the request of the Board of Directors a review of Snowcrest Condominiums Insurance coverage was conducted with our Insurance carrier, Bob Strong Insurance Company. All areas of the Policy were reviewed to insure that the Insurance coverage not only met current Association Policies and Procedures, but also met current changes to Colorado laws governing Condominiums.

After review the following changes/additions were made to the Policy;

1. Increased backup sewer and drain coverage from \$5,000.00 to \$25,000.00.
2. Increased the building ordinance for demolition to \$250,000.00.
3. Increased the building ordinance for ACC to \$250,000.000.
4. Added Directors & Officers coverage for Property Manager.
5. Added Discrimination coverage for the Homeowners Association and the Property Manager.

(Items # 2 and 3:

Covers loss in value for undamaged portion of any building due to demolition if required by building ordinance or Law.

Covers cost of demolition and removal of debris of undamaged portion of any building if required by building ordinance or Law.

Covers increased cost to repair, reconstruct or remodel damaged or undamaged part of any building to comply with a building ordinance or Law.)

All changes and additions were reviewed and approved by the Board of Directors and were effective July 1, 2006.

Old Business Discussions

BRIDGE- TRANSFER OF OWNERSHIP TO CITY:

William Buck started some discussions with the city council on the possibility of the city taking over the ownership, maintenance and liability of the bridge. Some council members showed interest while others were somewhat negative stating that Snowcrest is still the largest benefactor of the bridge. Either way, the Council requested that all further discussions regarding the bridge come directly from the association without input or influence from William. The Board is planning on discussing this issue at today's Board meeting with the intent of making a presentation to the City Council in the near future.

BIDGE RAILING REPLACEMENT:

The Board has decided to include this safety update in this next year's capital projects; with the hope that it can still be completed this construction season. It was noted that the code standards require pickets spaced less than 4" apart, while the existing pickets are spaced at 8" apart. There were several questions from homeowners inquiring into the details of how and with what materials this upgrade would be constructed. Randy explained that those details had not yet been decided on and that planning efforts were still on going. RB suggested constructing a solid wall with no openings.

WINDOW/ DOOR REPLACEMENT:

The Board is considering a project wide replacement of the old single pane windows. The Board is leaning toward this approach because it will make it easier to control the quality and maintain a consistent look for the project. This is currently being discussed as a project that might be undertaken in five years or so. Ron Kobernik expressed great concern over the association taking on this project and strongly recommended against it.

UPCOMING PROJECTS- ROOF REPLACEMENT AND MISC PROJECTS:

The Board has reviewed and approved five capital improvement projects that will require special funding. Three of the projects, the Board feels are mandatory for 2006-2007. The financing and scope of these projects will be discussed further under “new business”.

New Business Discussions

PROPOSED CAPITAL IMPROVEMENT PROJECTS FOR 2006-2007:

The Board encourages each homeowner present to complete the provided “Selection Form” so their preference of project inclusions and color selections can be used to make the final decisions.

(NOTE: Budget estimates are based on contractor bids and/or estimates with contingencies factored in for inflation and unforeseen structural damage. However, they are only estimates. Other unforeseen items such as Planning Dept. additions, material shortages, etc. could cause project cost to exceed estimates. If there are any overages, the funds will go into the operating budget with the intent to forestall future dues increases.)

Projects / Scope / Estimated Cost:

Roof Replacement / \$310,000 (\$150,000 net of the \$160,000 in existing roof fund)

Includes replacement using similar materials and construction as existing roof; Chimney and vent crickets will be rebuilt taller, with thicker steel and more reinforcing; Chimney repairs per inspection report: The wood fascia along the bottom edge will be wrapped in metal; Vents screens will be replaced or repaired; All structural damage uncovered during demolition will be repaired.

(NOTE: The Board did explore several design alternatives before deciding to propose the scope above. These alternatives were explored for both aesthetic reasons and to possibly prevent the damaging of chimneys during snow slides. These alternatives included such items as Roof Dormers, Asphalt Shingles, Electric Heating, Heated Gutter System, Etc. The least expensive of these were estimated at over \$100,000 and went up to one million dollars for heat only the roof sections where the chimneys are located. In light of these costs, the Board felt this kind of money was better spent on more urgent projects.)

Operating Budget Capital/ \$37,000

Snowcrest has been operating at a small deficit in the operating budget without any reserves to fund temporary short falls. In the past these short falls have been covered with the reserve funds for capital improvements. Once the roof is under construction those reserve funds will no longer exist. Therefore, minimal funds need to be appropriated for a reserve account in the operating budget to pay for services such as emergency plumbing and electrical repairs, etc.

Bridge railing safety update/ \$5,000

Includes replacing of the open railing sections with new code compliant railings with narrow spacing; reinforce the open straight sections near the east end.

Stucco repair and painting/ \$75,000

Includes repairing cracks and bulges where they occur; Make horizontal control joints at existing reveals and panel joints; Paint with new color to coordinate with roof and siding colors; Repaint 3 large signs.

Painting of walkways and decks/ \$50,000

Paint with new color to coordinate with new projects color scheme.

Project Options to be included in the same Special Assessment Funding:

*\$192,400 / \$5,200 per unit

Roof Replacement, Bridge Railing Upgrade, Operating Budget Capital

**\$266,400 / \$7,200 per unit

All the above PLUS Stucco Repair and Painting

***\$314,500 / \$8,500 per unit

All the above PLUS Painting of Walkways and Decks

*Randy Leeds opened the floor for discussions pertaining to the proposed capital projects

-It was suggested that the center stairway will need to be rebuilt soon, and needs to be added to the future projects list. It was also suggested that the stairway be narrowed and redesigned to meet code and make snow removal easier.

-It was suggested that we should possibly have the clerestory windows replaced at the same time as the roof because there might be some efficiencies with scaffolding.

-It was suggested to make sure that the roofing contractor does the upper roofs first; this would minimize any construction damage on the new roofing.

-It was suggested that we eliminate the large Snowcrest sign adjacent unit 1. A show of hands indicated that most everyone was in favor of keeping the sign. Another suggestion was made to have the signs painted on the walls instead of having to paint a separate sign.

-Several homeowners expressed their preference to fund all the projects for next year. That way the exterior renovations would be coordinated and complete.

-It was noted by Randy Leeds that a decision needs to be made soon, so that contractor selections and City approvals could be completed in time for next year.

-**A motion was made** to postpone the roof replacement until 2008 and only fund the reserve account for the operating budget. This motion was not seconded and thus was not brought up for a vote.

-It was noted by David Miller that many other condo associations, with buildings of similar age as Snowcrest, are having major assessments to fund repairs, upgrades, and renovation projects: Chateau - \$30,000 +/- per unit, Eagles Nest - \$12,000 +/- per unit, Three Seasons - \$5,800 +/- per unit, Paradise - \$40,000 +/- per unit, Gateway - \$35,000 +/- per unit, Wood Creed - \$16,000 +/- per unit, and Outrun \$65,000 +/- per unit.

-There were discussions on whether or not to continue the roof fund assessment. Many owners expressed their desire to have this fund continue.

-**A motion was made** by Bob Roth to continue the roof assessment fund. The motion was seconded by Ron Kobernik. **The motion passed by majority vote.**

-Randy Leeds closed discussions on the proposed projects and assessments and reminded everyone to turn in their "Preference Selection Form" quickly.

LONG TERM RENTER IMPACT FEE ASSESSMENT:

Ken Schoenebeck brought up the impact fee for discussion. He said he felt that it was unfair and not necessary to penalize owners just because they choose to rent their units. He went on to state that the Rules and Regulations allow for fine assessments and need to be enforced.

-It was discussed that many minor violations take more time than it is worth to go through the standard owner notification for fines and expenses to correct minor violations.

-The majority of the homeowners did agree that some long term renters have cost the Association and Management Company time and money. The homeowners directed the board to be more forceful with fines and take corrective measures when possible and charge the unit owner for those costs and expenses.

Ken Schoenebeck made a motion " Rescind the impact fee for units with long term renters. Kalieb Longe seconded the motion. **The motion passed by majority vote.**

MAINTENANCE ISSUES:

Ron Kobernik brought up a couple of items that need attention. The ventilation fans below the lower units have not been running, and should be turned on or fixed as needed. He also noted that the lights in the common walkway serving units 32-34 are not working and this could be a liability issue.

-Randy Leeds noted that he would follow up on these items with the Management Company.

Board Member Elections

Three positions are open for election.

1. A three year term (currently held by Chuck Mitchell)
2. A one year term (currently held by William Buck)
3. A one year term (currently held by Ken Schoenebeck)

*David Miller has one year remaining on a three year term.

*Randy Leeds has two years remaining on a three year term.

****Randy Leeds opened the floor for nominations to fill the vacant three year term that expires in 2009.

*Chuck Mitchell was nominated by Ken Schoenebeck;
the nomination was seconded by William Buck.

*Carl Polesky was nominated by David Miller;
the nomination was seconded by Ron Kobernik.

Nominations were closed and **Carl Polesky was elected** to the vacant **three year term** by majority vote.

****The floor was opened for nominations to fill one of the vacant single year terms.

*Chuck Mitchell was nominated by Ken Schoenebeck ;
the nomination was seconded by David Miller.

Nominations were closed and **Chuck Mitchell was elected** to a **one year term** by majority vote.

****The floor was opened for nominations to fill one of the vacant single year terms.

*William Buck was nominated by Stacy Leeds;
the nomination was seconded by Chuck Mitchell.

Nominations were closed and **William Buck was elected** to a **one year term** by majority vote.

THE 2006 SNOWCREST BOARD MEMBERS ARE:

David Miller – three year term (expires 2007)

Randy Leeds – three year term (expires 2008)

Carl Polesky – three year term (expires 2009)

Chuck Mitchell – one year term

William Buck – one year term

Establishment of next year's Annual Homeowners Meeting

Stacy Leeds made a motion to have next year's Homeowner Meeting in August on the Friday prior to the Art Festival.

The nomination was seconded by Jerry Howalt.

MOTION was approved by majority vote.

Adjournment

Chuck Mitchell made a motion to adjourn the meeting.

The nomination was seconded by Ron Kobernik.

MOTION was approved by majority vote.

*Randy Leeds adjourned the 2006 Homeowner Meeting at 12:45 PM.

Accepted by:

Randy Leeds, Board President

September 30, 2006