

MINUTES
SNOWDANCE MANOR CONDOMINIUM ASSOCIATION
ANNUAL MEMBERSHIP MEETING – SEPTEMBER 21, 2002

Meeting was called to order by Mr. Mark Chase-Jacobsen, President at 9:05 A.M.,
“The Inn” Hotel, Keystone, Colorado 80435

Persons present:

Mark Chase-Jacobsen representing Unit 207 and Units 102 & 208 by proxy.

Stanley Axelrod representing Unit 403 in person.

Marie Cramer representing Unit 402 in person and Unit 401 by proxy.

Kim Roller representing Unit 101 in person.

Nina Gallo representing Unit 103 in person.

John and Robbie Moreland representing Unit 301 in person.

Russell G. Young, Association Managing Agent representing Units 104,
201, 202, 203, 204, 205, 206, 209, 302, 303, 304, 305, 307, 309, 404, 405, 406,
408, and 409 by proxy.

A quorum was present with 90.26% represented – ownership in person (19.71%)
and ownership by proxy (70.55%).

The first item on the agenda was the introduction of all attending persons.

The next item on the agenda was the presentation of the previous annual
membership meeting minutes for September 22, 2001. Mr. Chase-Jacobsen
referred the members to Pages 1 through 9 of the agenda packet and asked the
members for any comments, discussions or corrections with regard to the
minutes. With no comments or corrections from the owners, the members
unanimously approved the meeting minutes as written.

The next item on the agenda was the Manager's Report offered by Russ Young. Mr. Chase-Jacobsen congratulated Mr. Young on his management performance over the past year.

Mr. Young referred the members to Pages 10 of the agenda packet. Mr. Young reviewed his report as follows:

1. The following units are delinquent in assessment dues:

Unit 103	\$1,685.69 (qtrly dues + special assessment)
Unit 407	\$ 757.50 (special assessment)

2. There are three units on the market for sale at this time:

Unit 309	2BR/2BTH	\$219,000
Unit 305	2BR/2BTH	\$229,500
Unit 208	2BR/2BTH	\$229,500

3. The last unit to sell in 2002:

Unit 102	2BR/2BTH	\$240,000	(6-3-02)
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4. In May 2002, Unit 406 master bathroom tub drain trap became disconnected due to a construction defect. This leak caused damage to Unit 306, Unit 206, and the pool area. The resulting repair cost was \$16,826.40. The insurance policy for Unit 406 through State Farm paid for the entire cost.
5. The garage exterior entry staircase to the building's second level is in the process of being replaced. The cost will be \$6,548.00.
6. The west and covered garage parking area spaces have been stripped.
7. There are still a couple of units in the Snowdance Manor that have not connected their respective water heater drain pans to the sewer system. This is important in order to prevent extensive damage to the property in the event of a water heater failure.

Ms. Cramer followed up on Mr. Young's explanation on the units' water heater drain pans. Ms. Cramer stated that if unit owners do not connect their respective

unit water heater drain pan to the sewer system in order to protect from possible property damage, then the respective owner will be liable for any damages caused to other units or the building common areas.

Ms. Moreland asked if the Board had previously recommended to the owners what kind of unit insurance the owners should have. Ms. Cramer responded that the Board had recommended last year for all owners to look into their respective unit insurance policy and to insure that each owner had adequate coverage.

Mr. Young was asked that since the on-site supervisor's Unit #102 was sold in June 2002, what was the on-site maintenance supervisor going to do from this point on. Mr. Young responded that the new owner of Unit 102 extended the lease for an additional one year ending on July 1, 2003. Mr. Young further explained that if another Snowdance Manor owner would not make their unit available on July 1, 2003, there would not be a maintenance supervisor on-site in the future. Mr. Young stated that all Snowdance Manor owners would be contacted to determine if any owners would make their units available for an extended commitment for the Association on-site person.

With no further questions or comments, Mr. Young concluded his report.

The next item on the agenda was the Insurance Report by Russ Young. Mr. Young referred the members to Page 11 of the agenda packet. Mr. Young explained that Allstate Insurance, the previous insurance underwriter, had cancelled the building master policy effective May 10, 2002 due to "loss history". Mr. Young stated that over the last nine years, there had been approximately \$54,000 in claims that were paid by Allstate, which does not include a pending slip and fall lawsuit. Mr. Young commented that he had requested two independent insurance agents along with State Farm to provide competitive bids for the building master policy. Mr. Young stated that as of May 10, 2002, the Association's new insurance agent was Insurance of the Rockies in Frisco,

Colorado. The Travelers Insurance Company was the new insurance underwriter. The building replacement value was increased from \$4,561,000 to \$4,700,000 or a 3.05% increase. The policy premium had increased from \$8,005.00 to \$14,376.00 or a 79.59% increase. The deductible had also increased from \$1,000 to \$2,500. All attending members agreed that the insurance industry has been going through very difficult times and the premiums were increasing dramatically. With no further discussion or comments, Mr. Young concluded his insurance report.

The next item on the agenda was the review of the 2001-2002 Year-End Income and Expense Statement offered by Ms. Cramer. Ms. Cramer referred the members to Pages 12 through 15 of the agenda packet. Ms. Cramer suggested that the members refer to Pages 13 and 14 for a complete line-item review of the Year-End Income and Expense Statement. Ms. Cramer stated that the Total Current Year Gain was better than budget by \$233. Ms. Cramer commented that the Board speaks at least monthly via conference call to discuss budgetary issues in order to keep operational expenses to a minimum. Ms. Cramer complimented Mr. Young on renegotiating the much-improved elevator and fire monitoring contracts, which provided significant savings. Mr. Moreland asked why the Repair/Maintenance - Pool was over budget. Mr. Young explained that the Repair/Maintenance Pool account included both general ongoing weekly and bi-weekly maintenance, i.e., cleaning filters, changing water, brushing, vacuuming, etc. and actual repair work, i.e., pump and heating repairs, sauna repairs, etc. Mr. Young reminded the attending members that much of the pool equipment was nineteen years old and required increased repair and maintenance. Mr. Young also reminded the members that the pool equipment area was very tight and below grade, thus causing added problems for the required sump pump. With no further comments or discussion of the Year-End June 30, 2002 Income & Expense Statement, Ms. Cramer concluded her report.

The next item on the agenda was the review of the 2002/2003 approved operating budget. Ms. Cramer referred the members to Page 16 of the agenda packet. Ms.

Cramer explained that Page 16 reflected the budget changes from 1994/95 fiscal years to present. Mr. Young commented that the member budgeted assessment dues had increased 3.34% from the 2001/2002 budget to the 2002/2003 budget. Ms. Cramer further stated that over the last nine years, the average annual regular assessment increase had been 4.46%. Ms. Cramer referred the members to Pages 17 through 23 of the agenda packet. On Page 18 of the agenda packet, Ms. Cramer pointed out to the members that the special quarterly assessment originated on October 1, 1997 had been terminated with the last payment collected on July 1, 2002. Ms. Cramer explained that in order to compensate for the building additional budget overrun and to bring the reserve up to a minimal level, the Board had recommended to the owners that a \$50,000 be assessed and paid in two payments due on August 1, 2002 and November 1, 2002. This \$50,000 special assessment was overwhelmingly approved by the membership in June of this year. Ms. Cramer stated that the approved 2002/2003 Operating Budget had been mailed to all owners in June 2002. Ms. Cramer referred the members to Page 24 of the agenda packet. Ms. Cramer explained that Page 24 was a Comparison of Keystone Area Base II and III Association Annual Assessments. Mr. Young commented that this report was produced every two years to assist the Board in keeping track of Snowdance Manor's operating performance compared to other Keystone associations. Mr. Young stated that Snowdance Manor's Cost per square foot/S.F. Operating Expense was within three cent of the 35-project average. Taking into consideration Snowdance Manor's small size of 31 units along with its private pool/spa/sauna facility, elevator, common hallways, Mr. Young stated that Snowdance Manor was very competitive with other association operating costs. Ms. Gallo asked if Snowdance Manor's low reserve fund was scaring buyers away from Snowdance Manor. The Board answered that the lack of a strong reserve fund was certainly a consideration in the buyer's mind. Mr. Young further explained that there were other considerations such as national economy, stock market, over-building, reduced rental performance, and poor snow conditions that had brought about buyer's cautious attitude. With no further comments or discussion, Ms. Cramer concluded her report.

The next item on the agenda was the review of the August 31, 2002 Year-To- Date Income & Expense Statement. Ms. Cramer referred the members to Pages 25 through 28 of the agenda packet. After a brief review of the August 31, 2002 Year-To-Date Income & Expense Statement, Ms. Cramer concluded her report.

The next item on the agenda was the review of the landscaping/construction project review. Mr. Chase-Jacobsen reminded the attending members that a detailed letter had been sent to all owners in late May 2002, which outlined the over-budget expenses for the construction project. Mr. Chase-Jacobsen referred the attending members to Page 29 through 31 of the agenda packet. Ms. Cramer reminded the attending members that some of the construction over-runs were attributed to Summit County additional requirements. Mr. Chase-Jacobsen stated that there was a cash performance bond in the amount of \$3,800 still being held by the Summit County Planning Department. Mr. Young stated that the \$3,800 plus accrued interest would be released soon and returned to the reserve fund. All attending members agreed that the landscaping and construction project ended up looking very attractive and functional. Mr. Chase-Jacobsen commented that the various extra construction costs detail could be found on Pages 30 and 31. The Board stated that a number of the extra costs related to the unknown sewer line that serviced Units 101 to Unit 401, which was discovered running north along the west side of the building. This sewer line was not noted on the original 1983 building plans. Mr. Young further summarized other construction problems: (1) The building utility power lines were located in such a way as to present the contractor with several problem solving challenges. (2) The deeper soil conditions were made up mostly of "bog". Thus, the soils engineer instructed the contractor to dig an additional three to four feet down and four feet wide and lay special "screen gravel" material to support the new footer/foundation walls. A special sump pump system was also required to eliminate any future underground water accumulation. (3) A fire dry standpipe was relocated several times during construction as requested by the Snake River

Fire Department. (4) The Snake River Fire Department added several additional requirements to the original building plans, i.e., ski locker fire enunciator/strobe light, emergency lighting, and various other miscellaneous items. (5) During framing construction, there were several elements of the old building that had to have corrective measures performed. (6) Additional design fees were expended for the required design changes for submission to the Summit County Building Department. After a thorough discussion of the overall construction project and related budget over-runs, the Mr. Chase-Jacobsen concluded his report.

The next item on the agenda was the review of the Reserve Fund. Mr. Chase-Jacobsen referred the members to Pages 32 through 39 of the agenda packet. Mr. Chase-Jacobsen reviewed the Statement of Reserve Fund for 2001/2002 fiscal year on Page 32 along with the Statement of Reserve Fund for 2001/2002 Year-To-Date on Page 33. Mr. Chase-Jacobsen also referred the members to Pages 34 through 39 of the agenda packet. Mr. Chase-Jacobsen explained that the Reserve Fund Expenditure & Assessment Analysis on Pages 34 through 39 reflected various capital assets along with life expectancies, estimated replacement costs, and current ages. Mr. Young stated that the Reserve Fund Analysis was a planning tool for the Board of Managers for future capital replacement costs. Mr. Chase-Jacobsen reminded the members that the lower third of the Snowdance P.U.D. parking area would be re-paved over the next couple of weeks and Snowdance Manor will be paying their respective 38% share of the asphalt project. The Board referred the members to the Snowdance P.U.D. Maintenance and Capital Improvement Agreement on Pages 47 through 51. All P.U.D. members had recently agreed to this agreement, which details all members' responsibilities and related percentage share.

Ms. Gallo asked the Board if they had ever considered closing the sauna room in order to reduce operational costs. The Board stated that the sauna room did not cost much to operate or maintain, thus, it should remain open year-round. Ms. Cramer stated that she had thought that closing the entire pool facility during off-

season months, i.e., May and October, would be a way to save operating costs. The Board indicated that it would review the possibilities in the future.

Mr. Moreland asked the Board if it had plans to repair the exterior steps leading into the pool patio. Mr. Chase-Jacobsen answered that the exterior pool patio stairs were on the Board's list. Ms. Cramer further commented that the Board had two sets of stairs to repair – the garage second level stairs and the pool patio stairs. Ms. Cramer stated that the Board had decided to repair the garage stairs now due to its high usage and risk exposure and leave the pool patio stairs until next year due to funding. Mr. Young stated that the pool patio staircase would be cordoned off to prevent any injuries until the repairs were completed.

After a detailed discussion of the Reserve Fund Expenditures & Assessment Analysis, Mr. Chase-Jacobsen concluded report.

Mr. Chase-Jacobsen referred the attending members to the Board of Managers' and owners' lists on Pages 40 through 46 of the agenda packet. Ms. Cramer suggested that the unit phone be listed on the owners' list. All members concurred. Mr. Young stated that he would list the unit phone numbers in the owners' list from this date forward.

The next item on the agenda was Open Discussion.

Mr. Axelrod stated that a "slip and fall" lawsuit had been filed in late 2001 against the Snowdance Manor Condominium Association, Inc. and Young Realty, Inc., as the property manager. Mr. Axelrod explained that on March 5, 2000 a Snowdance Manor guest had injured herself as she attempted to enter the spa. Mr. Young stated that Allstate Insurance has been defending the Association under the previous policy coverage. Mr. Young stated that there had never been a reported injury in the spa facility since the building was constructed in 1983.

Mr. Axelrod commented that several owners had inquired about window replacement. Mr. Axelrod stated that the individual unit windows were an owner's cost pursuant to the Condominium Declarations and that the Board was looking into possible replacement options in order to insure uniformity and to reduce cost through bulk replacement. Mr. Axelrod stated that a typical bedroom window would cost approximately \$450 to \$500 depending on the number of windows replaced at one time. Mr. Young commented that he was pursuing this matter and would report back to the Board in the future. Mr. Young stated that any window replacement would most certainly not occur until next year.

Mr. Axelrod again reminded the attending members to review their respective unit insurance policy to insure adequate coverage.

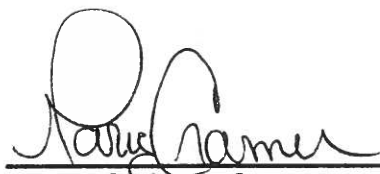
In order to encourage summer rental, Ms. Moreland suggested Snowdance Manor should avail itself to the mountain biker group. Ms. Cramer, being a Denver owner, had noticed that Keystone is glutted with available rental inventory and had been marketing very aggressively through an extremely reduced pricing structure. Ms. Cramer further stated that Keystone is offering rental rates as low as \$49 to \$59 per night. Ms. Cramer suggested that it might not be worth renting a unit for such reduced rates when one considered the wear and tear and utilities. The management commission many times does not even cover the housekeeping services required. With regard to the mountain bike renter, their bikes are so expensive that the person would not consider leaving their bikes outside, even if the bikes were locked up. The Board did not want to encourage bikes being brought into the building. Mr. Young reminded the attending members that the most successful past rental approach in the summer had been the extended occupancy, which historically would amount to three to six months of occupancy. Mr. Young further explained that unfortunately this summer was a major disappointment due to the glut of Summit County rental inventory.

With no further Open Discussion topics, Mr. Axelrod concluded this report.

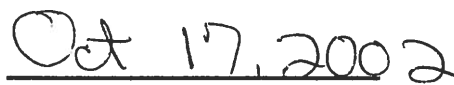
The next item on the agenda was the Board of Managers election. Mr. Chase-Jacobsen explained that Ms. Cramer position was up for election. Mr. Young stated that Ms. Cramer (Unit 402) and Mr. Buckland (Unit 307) were running for the three-year term. With no further nominations offered from the floor, the nominations were closed. The ballots were passed out to the members. Mr. Young reported that Ms. Cramer received 87.31% of the vote and Mr. Buckland received 2.95% of the vote. Therefore, Ms. Cramer was re-elected for another three-year term.

With no further discussion, Mr. Axelrod made a motion to adjourn the meeting. All attending members agreed. The meeting was adjourned at 11:10 A.M.

The attendance roll is attached to these minutes and incorporated hereto.



Marie Cramer, Secretary



Date

September 21, 2002 - 9:00 A.M.
 SNOWDANCE MANOR CONDOMINIUM ASSOCIATION, INC.
 ANNUAL MEMBERSHIP MEETING - ATTENDANCE

UNIT	LEGAL OWNER(S)	GENERAL PROXY DESIGNEE	SPECIAL PROXY DESIGNEE	% OWNERSHIP	ATTEND	PROXY	TOTALS
101	Roxane S. Ruggles Kim S. Roller James Stampfle Stephen W. Morgan	Roxane S. Ruggles	Kim Roller	3.04	3.04		3.04
102	Brian K. Hajek Edith Ann Hajek	Edith Ann Hajek	Mark Chase-Jacobsen	3.06		3.06	3.06
103	Sullivan S. Gallo Antoinette Gallo	Antoinette Gallo		2.91	2.91		2.91
104	James J. Anderson James R. Crassweller Donald W. Niles Abbott Wilson Darrell C. Rooney	Darrell Rooney	Russell G. Young	2.98		2.98	2.98
201	Mark Voss		Russell G. Young	3.06		3.06	3.06
202	Gilbert R. Vander Ham Donna J. Vander Ham	Russell G. Young		3.08		3.08	3.08
203	Richard E. Hoover, Co-Trustee Elaine L. Hoover, Co-Trustee	Richard E. Hoover	Russell G. Young	2.90		2.90	2.90
204	Harvey C. Jewett IV Cynthia A. Jewett IV	Russell G. Young		2.95		2.95	2.95
205	Randall I. Sirk Regina M. Sirk	Regina M. Sirk	Russell G. Young	2.97		2.97	2.97
206	Michael J. Devine Jeanne T. Devine Mary Clare Toomey	Michael J. Devine	Russell G. Young	2.95		2.95	2.95
207	Mark Chase-Jacobsen Judith Chase-Jacobsen	Mark Chase-Jacobsen		2.94	2.94		2.94
208	Brian K. Hajek Edith Ann Hajek	Edith Ann Hajek	Mark Chase-Jacobsen	2.96		2.96	2.96
209	Richard Webb Pauly			2.95		2.95	2.95
301	John G. Moreland Roberta L. Moreland	John Moreland	Russell G. Young	3.06	3.06		3.06

UNIT	LEGAL OWNER(S)	GENERAL PROXY DESIGNEE	SPECIAL PROXY DESIGNEE	% OWNERSHIP	ATTEND	PROXY	TOTALS
302	Theresa Ann Mosqueda	Russell G. Young		3.08		3.08	3.08
303	Mark A. Scherer Leah J. Scherer	Mark A. Scherer	Russell G. Young	2.90		2.90	2.90
304	Oliver J. Johnson Bethel A. Johnson	Bethel A. Johnson	Russell G. Young	2.97		2.97	2.97
305	Ceryl Gepford	Russell G. Young		2.96		2.96	2.96
306	Mark A. Cannon			2.94			
307	George H. Buckland	George H. Buckland	Russell G. Young	2.95		2.95	2.95
308	Julie D. Buckland						
309	Ralph N. Bloch Patti Schoettler			2.97			
401	Roger L. Lindeman		Russell G. Young	2.96		2.96	2.96
402	Howard T. Cramer Marie Anne Cramer	Marie Cramer	Marie Cramer	3.84		3.84	3.84
				4.00	4.00		4.00
403	Stanley Axelrod Rose Axelrod	Stanley Axelrod		3.76	3.76		3.76
404	Richard G. Seymour						
405	James A. Fairbanks Marsha A. Fairbanks	Marsha A. Fairbanks	Russell G. Young Russell G. Young	3.86 3.86		3.86 3.86	3.86 3.86
406	Richard G. Seymour						
407	Eric Starzynski		Russell G. Young	3.82		3.82	3.82
408	Kevin C. and Karen F. West	Russell G. Young		3.83			
409	Stephen R. Baker Linda D. Baker	Russell G. Young Russell G. Young		3.85 3.64		3.85 3.64	3.85 3.64
TOTALS:				100.00	19.71	70.55	90.26