

MINUTES
SNOWDANCE MANOR CONDOMINIUM ASSOCIATION
ANNUAL MEMBERSHIP MEETING – SEPTEMBER 17, 2005

Meeting was called to order by Mr. Mark Chase-Jacobsen, President at 9:00 A.M., Snowdance Manor Condominium building main lobby area, 23034 U. S. Highway 6, Keystone, Colorado 80435

Persons present:

Mark Chase-Jacobsen representing Unit 207.

Stanley Axelrod representing Unit 403 in person.

Marie Cramer representing Unit 402 in person and Unit 102 by proxy.

Harry L. Johnson representing Unit 309 in person.

Scott C. Geiger representing Unit 305 in person.

Gary D. Roberts co-owner of Unit 305 in person.

Robert W. and Jaclynn Z. Spencer representing Unit 209 in person.

Russell G. Young, Association Managing Agent representing Units 104, 201, 202, 204, 205, 206, 301, 302, 304, 307, 308, 401, 404, 405, 406, 408, and 409 by proxy.

A quorum was present with 85.30% represented – ownership in person (23.39%) and ownership by proxy (61.91%).

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 11, 2004. Mr. Chase-Jacobsen referred the members to Pages 1 through 11 of the agenda packet. Mr. Chase-Jacobsen referred the members to Page 9 of the minutes and noted that there was a typo on line 5 from the bottom. The word “often” should have been “offered”. With that correction noted, Mr. Chase-Jacobsen asked the members for any other comments, discussions or corrections with regard to the

minutes. With no other comments, discussions or corrections from the owners, Ms. Cramer made a motion to accept the minutes as written. Mr. Axelrod seconded the motion. 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. Young referred the members to Page 12 of the agenda packet. Mr. Young reviewed his report as follows:

1. All owners are current with their association dues.

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

Unit 201	2BR/2BTH	\$265,000
Unit 304	2BR/2BTH	\$265,000
Unit 101	2BR/2BTH	\$269,900
Unit 405	2BR+Loft/3BTH	\$337,500

3. Units sold in 2005 to date:

Unit 209	2BR/2BTH	\$200,000	7-20-05
Unit 205	2BR/2BTH	\$214,500	7-22-05
Unit 407	2BR+Loft/3BTH	\$327,500	9-1-05

4. Parking lot repair/patching/crack seal was completed in August. Total Shared Cost: \$973.90.

5. Exterior siding construction project is progressing toward a mid-October completion.

6. The roof skylights in #404, #406, and #407 have been permanently removed due to past damage caused by leaking.

7. Colorado Senate Bill 100 was signed into law on June 7, 2005. It is an Act concerning increased protection for homeowners. A copy of the Act is included with the agenda material.

Mr. Robert asked where the restaurant/bar lot lines were located for parking. Mr. Young answered that the Snowdance P.U.D. had open parking pursuant to the Summit County Approved Parking Plan, thus, property lot lines were not used as delineation for where automobiles could park. Ms. Cramer further explained that the covered garage parking was for the exclusive use of Snowdance Manor guest. Mr. Young further stated that the

maintenance of the Snowdance P.U.D. parking area, excluding the covered garage area, was shared between the Snowdance Manor, Snowdance, Snowdance Plaza, and the Restaurant/Bar pursuant to the Snowdance P.U.D. Maintenance and Capital Improvement Agreement executed in July 2002 between all P.U.D. parties. With no further discussion, Mr. Young concluded his manager's report.

The next item on the agenda was the Insurance Report offered by Russ Young. Mr. Young referred the members to Page 13 of the agenda packet. Mr. Young stated that the current insurance underwriter was The Travelers. Mr. Young also stated that the building's replacement value had been increased from \$4,889,880 to \$4,987,677 from the last fiscal year or a 2% increase. The policy premium for the basic master policy was \$17,491 and the Umbrella coverage premium was \$2,656. Mr. Young further noted that The Travelers, after a policy review, had reduced the premium of \$17,491 to \$16,047 or a \$1,444 reduction. The existing liability coverage in the basic Master Policy was \$1,000,000 per occurrence and \$2,000,000 general aggregate. Mr. Young also explained that the Board had decided early in this year to increase the liability coverage by adding an Umbrella liability policy in the amount of \$2,000,000 per occurrence and \$2,000,000 aggregate. Therefore, the Association has total liability coverage of \$3,000,000 per occurrence and \$4,000,000 for aggregate limits. Mr. Axelrod stated that due to the recently settled 2001 "slip and fall" lawsuit, the Board had come to the realization that the Association was under insured for liability, thus, an increase in liability coverage was warranted. With no further discussion or comments, Mr. Young concluded his insurance report.

The next item on the agenda was the review of the 2004-2005 Year-End Income and Expense Statement offered by Ms. Cramer. Ms. Cramer referred the members to Pages 14 through 17 of the agenda packet. Mr. Cramer reported that the Current Year Gain (better- than-budget) was \$4,358.48. The Insurance Account was over budget due to the added Umbrella liability coverage. The Legal Account was over budget due to the legal representation required during the settlement phase of the "slip and fall" lawsuit. Mr. Chase-Jacobsen indicated that the separate legal representative was necessary to hasten the

final settlement negotiations. Ms. Cramer continued to explain that the electricity was over budget due to an increased rate structure. The Repair/Maintenance – General was under budget due to various budgeted expenditures, i.e. common interior carpet cleaning, window cleaning, parking deck repairs, etc. being delayed because of the ongoing construction project. With no further comments or discussion of the June 30, 2005 Year-End Income & Expense Statement, Ms. Cramer concluded her report.

The next item on the agenda was the review of the 2005/2006 approved operating budget. Ms. Cramer referred the members to Pages 18 through 25 of the agenda packet. Ms. Cramer stated that Page 18 reflected the actual/budget comparisons from 1997/98 fiscal year to the present budget. Ms. Cramer commented that the format has been changed to break out the operating assessment dues from the reserve assessment dues. Ms. Cramer commented that the member operating assessment dues had increased by an average of 3.76% per year over the 9-year history. Mr. Axelrod reminded the owners that electricity is an unpredictable expense due to the present energy situation and that the Board would do everything possible to minimize energy and other operating expenses. There was an inquiry about the snow removal budget, i.e. \$600 per month for six months. Mr. Young explained that it was expected to maintain the same all-inclusive snow removal contract for the upcoming winter. An all-inclusive contract was a flat fee per month no matter how many times the snow was removed. Mr. Young further reminded the members that the approved 2005/2006 approved operating budget had been mailed to all owners in June 2005. With no further comments or discussion, Ms. Cramer concluded her report.

The next item on the agenda was the review of the August 31, 2005 Year-To- Date Income & Expense Statement. Ms. Cramer referred the members to Pages 26 through 29 of the agenda packet. After a brief review of the August 31, 2005 Year-To-Date Income & Expense Statement, Ms. Cramer concluded her report.

Mr. Chase-Jacobsen expressed the Board's desire and duty to maintain the building through needed upgrades, i.e. the interior and exterior improvements. Mr. Chase-Jacobsen also noted that all the improvements to date had focused on enhancing the value

of the building, providing better facilities to our guests, and reducing future maintenance costs. The Board indicated that it was their decision to complete the entire exterior upgrade project in one year. In order to achieve that objection, the general contractor agreed to finance half of the total construction cost in the amount of \$97,185.00 plus 5.56% interest. The financed amount will be paid in 24 monthly installments of \$4,500 beginning after the construction project is completed. The estimated completed date of this project would be mid to late November.

The next item on the agenda was the review of the Reserve Fund. Mr. Axelrod referred the members to Pages 30 through 36 of the agenda packet. Mr. Axelrod reviewed the Statement of Reserve Fund for 2004/2005 year-end fiscal year on Page 30 along with the Statement of Reserve Fund for 2005/2006 Year-To-Date on Page 31. Mr. Axelrod also referred the members to Pages 32 through 36 of the agenda packet and reviewed the long-term Reserve Fund Expenditure and Assessment and Analysis. With no further discussion of the Refund Fund, Mr. Axelrod concluded his report.

The next item on the agenda was Open Discussion. Mr. Chase-Jacobsen addressed the issue of high-speed internet for Snowdance Manor. At present, there was high-speed internet service available through Comcast. If the entire building would connect all at once, Comcast would provide a bulk rate of \$29.95 per unit. At this time, Mr. Chase-Jacobsen indicated that the Board felt it was not the right time to consider a bulk building connection. As time passes, the Board felt that high-speed service would become more competitive through other providers' entry the market.

The next Open Discussion item for discussed was a brief discussion of the 2001 "slip and fall" lawsuit. Mr. Chase-Jacobsen explained that this lawsuit had been settled earlier this year between the plaintiff and Allstate Insurance.

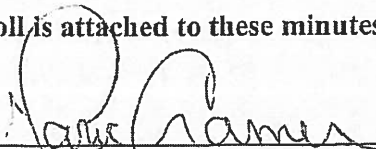
Mr. Johnson asked the Board if they had received any comments about the level of association dues at Snowdance Manor. Mr. Chase-Jacobsen responded that the Board had received comments from two owners regarding this issue. Mr. Chase-Jacobsen commented

that Snowdance Manor was higher than many associations in the areas. He further explained that one reason for Snowdance Manor's high dues was due to the fact that Snowdance Manor had only 31 units which had to support full amenities, i.e., pool facility, elevator, covered parking, etc. Mr. Chase-Jacobsen also stated that the Snowdance Manor was 22 years old and has had many construction challenges. Mr. Young also commented that he had compared based on square footage the Snowdance Manor with 30+ other Keystone associations. With regard to the operations comparison, Snowdance Manor was just better than the total association average, but the reserve fund contribution was one of the six highest.

Chase-Jacobsen referred the attending members to the Board of Managers' and owners' lists on Pages 37 through 44 of the agenda packet. If any corrections were required, the respective member should contact Mr. Young. With no further Open Discussion topics, Mr. Chase-Jacobsen concluded this agenda topic.

The next item on the agenda was the Board of Managers election. Mr. Chase-Jacobsen explained that Ms. Marie Cramer's three-year term was up for election. Mr. Axelrod nominated Ms. Cramer (Owner of Unit 402) for another three-year term. Ms. Cramer resides in Parker, Colorado. Mr. Young nominated Mr. Buckland (Owner of Unit 307) for the open Board position. Mr. Buckland was from Silver Spring, Maryland. 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 was re-elected for another three-year term. The attending members complimented the Board members for all there diligence and hard work.

With no further discussion, Mr. Chase-Jacobsen made a motion to adjourn the meeting. All attending members agreed. The meeting was adjourned at 10:15 A.M. The attendance roll is attached to these minutes and incorporated hereto.



Marie Cramer, Secretary



Date