

MINUTES
SNOWDANCE MANOR CONDOMINIUM ASSOCIATION
ANNUAL MEMBERSHIP MEETING – SEPTEMBER 29, 2007

Meeting was called to order by Mr. Mark Chase-Jacobsen, President at 9:05 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.

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

Keith Reichelderfer representing Units 101 and 302.

Sondra Dillon representing Unit 201.

Andrew Peterson representing Unit 204

Theodore McNitt representing Unit 303.

Mark Cannon representing Unit 306.

Gordon Banks representing Unit 405.

Russell G. Young, Association Managing Agent representing Units 102, 104, 201, 202, 205, 208, 301, 304, 307, 308, 401, 404, 406, 408, and 409 by proxy.

A quorum was present with 88.28% represented – ownership in person (35.48%) and ownership by proxy (52.80%).

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 2, 2006. Mr. Chase-Jacobsen referred the members to Pages 1 through 9 of the agenda packet. Chase-Jacobsen asked the members for any

comments, discussions or corrections with regard to the minutes. With no other comments, discussions or corrections from the owners, Ms. Dillon 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 10 of the agenda packet. Mr. Young reviewed his report as follows:

- 1. All owners are current with their association dues.
- 2. There are two units on the market for sale at this time:

Unit 102	2BR/2BTH	\$375,000
Unit 404	2BR+Loft/3BTH	\$425,000

- 3. Units sold/closed in 2007 to date:

Unit 303	2BR/2BTH	\$290,000	6-1-07
Unit 408	2BR+Loft/3BTH	\$404,500	6-19-07
Unit 101	2BR/2BTH	\$318,000	8-22-07
Unit 302	2BR/2BTH	\$327,500	8-22-07

- 4. Parking lot repair/patching/crack seal was completed in July 2007. Total Share (33.33%) - \$1,330.53.
- 5. Snowdance Restaurant Building is listed for sale with a price of \$1,663,500. The building has been recently re-roofed, painted and the exterior grounds cleaned up.
- 6. The pool facility is presently closed for pool/spa equipment renovation, deck re-surfacing and spa code repairs.
- 7. The Snake River Water District Board of Directors announced on September 12, 2007 a rate increase to be become effective on October 1, 2007. User base fees will increase from \$45/unit/quarter to \$63/unit/quarter or a 40% increase. The Snake River Water District rates have never been increased since the formation of the District in 1982. There are 31.91 EQRs allocated for Snowdance Manor, which include the 31 units plus the common facilities. Therefore, our base water fee will increase from \$1,436/Qtr. to \$2,010.33/Qtr. effective October 1' 2007. This will translate into a \$574 over budget for the last three quarters of the 2007-2008 fiscal year.

With no further discussion, Mr. Young concluded his manager's report.

The next item on the agenda was the Insurance Report offered by Mr. Young. Mr. Young referred the members to Page 11 of the agenda packet. Mr. Young stated that The Insurance Company of the Rockies in Frisco, Colorado was the Association's independent insurance agent and the current insurance underwriter was The Travelers. Mr. Young stated that the insurable replacement value had remained unchanged at \$4,987.677 from the previous policy period. Mr. Young explained that effective May 17, 2007, the annual policy premium had been reduced by approximately 50% for the basic insurance coverage and approximately 26% for the umbrella liability coverage. As a follow-up from last year, Mr. Young stated that the total insurable replacement value had been reviewed in detail through the insurance carrier and local building contractors to confirm that the \$4,987.677 was in fact accurate so as to not be over insured. With no further discussion or comments, Mr. Young concluded his insurance report.

The next item on the agenda was the review of the 2006-2007 Year-End Income and Expense Statement offered by Ms. Cramer. Ms. Cramer referred the members to Pages 12 through 16 of the agenda packet. Mr. Cramer reported that the Year-End Gain was budget than budget was \$8,027.86. The Insurance Account was better than budget due to the previous mentioned premium reduction. The Fire Protection Monitoring Account was better than budget due to lower than budget fire monitoring equipment repairs. The Snow Removal Account was better than budget due to less than expected snowfall. The Electricity Account was over budget due to not closing the pool facility during the fall and spring off seasons as had previously been budgeted. The attending members agreed that the operating expenses were well controlled. Mr. Axelrod commented that the Board reviews the financial performance every month. Ms. Dillon asked what the Management Fee Account #549 included. Mr. Young answered that the Management Fee was for Young Realty's management services, which includes the all-inclusive Association supervision and administration including all office supplies, postage, stationary, photocopies, purchasing supply control, contract negotiations and job supervision, accounts payable and receivable control, monthly financial reports to Board, annual Board/Homeowners' meeting preparation, meeting minutes preparation, and on-site building maintenance personnel

hiring and supervision. Mr. Peterson asked if the Board had looked at using off-site maintenance personnel rather than a live on-site person. Mr. Young responded that the current and previous Boards had periodically reviewed the cost comparison between the two maintenance options. Mr. Young further stated that the Boards had found that an on-site person was just as or more competitive as using off-site personnel. In addition, the Association received the added benefit of having only one person looking after the premises throughout the year. Since the on-site person unit was on the unit for sale, Ms. Dillon asked the Board if a back-up unit would be available in the future in the event that Unit 102 was to sell. Ms. Cramer responded that a couple of owners had shown interest in making their units available for the on-site person. With no further comments or discussion of the June 30, 2007 Year-End Income & Expense Statement, Ms. Cramer concluded her report.

The next item on the agenda was the review of the 2006/2007 approved operating budget. Ms. Cramer referred the members to Pages 16 through 23 of the agenda packet. Mr. Cramer reminded the owners that the 2007/2008 budget had been sent in June 2007 to all owners. Ms. Cramer stated that Page 16 reflected the actual/budget comparisons from 1997/98 fiscal year to the present budget. Ms. Cramer commented that the member operating assessment dues had increased by an average of 2.69% per year over the 11-year history. With no further comments or discussion, Ms. Cramer concluded her report.

The next item on the agenda was the review of the August 31, 2007 Year-To-Date Income & Expense Statement. Ms. Cramer referred the members to Pages 24 through 27 of the agenda packet. After a brief review of the August 31, 2007 Year-To-Date Income & Expense Statement, Ms. Cramer concluded her report.

The next item on the agenda was the review of the Reserve Fund. Mr. Axelrod referred the members to Pages 28 through 34 of the agenda packet. Mr. Axelrod reviewed the Statement of Reserve Fund for 2006/2007 Year-End fiscal year on Page 28 along with the Statement of Reserve Fund for 2007/2008 Year-To-Date on Page 29. 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. Mr. Axelrod explained that the Reserve Fund Expenditure & Assessment Analysis reflected various capital assets along with life expectancies, estimated replacement costs and current ages. Mr. Axelrod stated that the 20-Year Reserve Fund Analysis was a planning tool for the Board of Managers for future capital replacement capital projects and related costs and was updated annually. A member asked when the exterior improvement project would be completed. Mr. Axelrod answered that the last of the punch list items would be completely within the next few days. The remaining contractor balance due is \$62,995.43 and will be paid to the contractor after the punch list was completed. Mr. McNitt asked for an explanation of Item 9 on Page 30, i.e. Fireplace Unit Box Replacements. Mr. Young answered that each unit fireplace box had a life expectancy and was within the Association's capital/replacement responsibility. But, Mr. Young further clarified that the fireplace screen and pulls, grate and window doors were the cost responsibility of each owner. Mr. Young went on to say that a reserve fund with a balance from 70% to 100% of ideal funding was considered financial stable; a reserve fund balance from 30% to 70% of ideal funding was considered a moderate reserve strength; and, a reserve fund balance under 30% was considered a weak reserve strength. With no further discussion of the Refund Fund, Mr. Axelrod concluded his report.

The next item on the agenda was the Wireless High-Speed Internet Program Review. Mr. Chase-Jacobsen explained that the Board had been reviewing various high-speed internet options over the last two years. After careful consideration of costs and ongoing customer service, the Board decided to contract the services of Resort Internet for the installation and servicing of the high-speed program. The monthly cost for this program was \$18.95/unit or \$587.50 for all 31 units and would be paid through the Association operating budget.

The next item on the agenda was Open Discussion. Mr. Chase-Jacobsen stated that there had been owner interest to replace the living room windows/door assembly. Mr. Chase-Jacobsen expressed the Board's interest to insure that any future living room windows/door replacement product would be a very close match to the existing windows/doors. On behalf of the owners, the Association had been in contact with Pella

and Marvin for their respective product options. Mr. Chase-Jacobsen explained that the approved window/door replacement product information would be made available in the next few months to each owner that wished to proceed with the replacement; or, if a large number of the owners wished to participate, a substantial bulk purchase savings would be achieved for the owners. The cost of each unit window/door replacement would be borne by each respective owner as was the case with the bedroom replacements over two years ago.

The next item of Open Discussion was unit individual insurance coverage and damage responsibilities. Mr. Chase-Jacobsen asked Mr. Axelrod to read into the meeting records a letter dated September 20, 2007 from Rich and Elaine Hoover, owners of Unit 203. This letter was attached hereto and incorporated and made part of these minutes. Additional copies of this letter were passed out at this meeting to each attending owner. Mr. Axelrod first stated that this letter was a result of damage to Unit 103 from an icemaker supply line leak in Unit 203. The Hoovers had requested the reading of their letter at the homeowners' annual meeting.

Ms. Cramer explained that the issue of unit damage being caused from another unit had been a topic of discussion over the years. In the past annual meetings and related minutes, the homeowners had been instructed to review their respective unit insurance policies to determine what their coverage included. Mr. Chase-Jacobsen stated that to clarify this issue of responsibility, the Board had requested and received a legal opinion from the Association's legal counsel - Frasca, Joiner, Goodman and Greenstein, P.C. in Denver. This letter was passed out to each attending owners at this meeting. This letter was attached hereto and incorporated and made part of these minutes. Mr. Young suggested that each owner inform their respective property management company to perform periodic inspections of the ice maker supply line to insure that the water supply coupling connection was secure.

Ms. Dillon commented that the adjoining Snowdance Condominium guests had been seen using the Snowdance Manor pool facility and wanted to know if that was permissible. Ms.

Cramer responded that the Snowdance Manor pool was only for the use of Snowdance Manor residing owners and guests. She went on to say that some Snowdance Manor owners and guests have owned both Snowdance and Snowdance Manor units at the same time and would use both facilities. Also, when family groups occupy both Snowdance Manor and Snowdance at the same time, the Snowdance guests may in fact use Snowdance Manor facilities in order to share time with their friends in Snowdance Manor. Mr. Young commented that the on-site maintenance person makes an effort to monitor the pool facility usage.

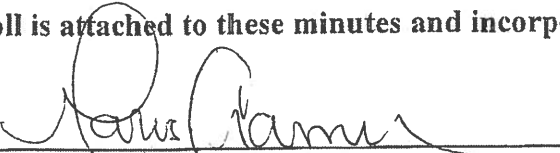
Ms. Dillon further inquired about the possibility of trash recycling. Mr. Chase-Jacobsen responded that the Snowdance P.U.D. members, i.e. Snowdance Manor, Snowdance, Snowdance Plaza and Snowdance Restaurant Building had discussed the day before their interest to provide recycling service. The P.U.D. members decided to obtain a proposal from Waste Management for recycling. The Board's hope was to have recycling service prior to the winter season.

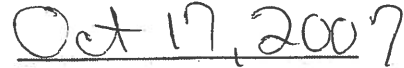
An owner asked about the possibility of providing exercise equipment in the pool area. Mr. Young responded that the current and previous Boards had addressed this issue; they had decided not to provide exercise equipment due to the liability exposure and equipment maintenance and repair.

Chase-Jacobsen referred the attending members to the Board of Managers' and owners' lists on Pages 36 through 42 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 his position was up for re-election. Ms. Dillon nominated Mr. Chase-Jacobsen (Owner of Unit 207) for another three-year term. Ms. Cramer seconded the nomination. With no further nominations offered from the floor, the nominations were closed. Mr. Chase-Jacobsen was unanimously re-elected for another three-year term.

With no further discussion, Mr. Chase-Jacobsen made a motion to adjourn the meeting. All attending members agreed. The meeting was adjourned at 10:30 A.M. The attendance roll is attached to these minutes and incorporated hereto.


Marie Cramer, Secretary


Date

September 29, 2007 - 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	Keith Reichelderfer Sheila Reichelderfer	Keith Reichelderfer		3.04	3.04		3.04
102	Brian K. Hajek Edith Ann Hajek	Edith Ann Hajek	Russell G. Young	3.06		3.06	3.06
103	Sullivan S. Gallo Antoinette Gallo	Antoinette Gallo		2.91			
104	Mitchell J. Anderson Eugene J. Smaciarz Beth Ann Larson Gary Blix Jerome James Furey Brenda Lee Becker Scott Joseph Furey Joanne Marie Furey Douglas Scott Walker Constance Wichmann Walter Abbott Wilson	Ivy Blix	Russell G. Young	2.98		2.98	2.98
201	Lawrence Dillon Sondra Dillon	Sondra Dillon		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		2.90			
204	Andrew N. Peterson Lori L. Peterson			2.95	2.95		2.95
205	Harry B. Durham III Lynda L. Durham		Russell G. Young	2.97		2.97	2.97
206	Michael J. Devine Jeanne T. Devine Mary Clare Toomey	Michael J. Devine		2.95			
207	Mark Chase-Jacobsen Judith Chase-Jacobsen	Mark Chase-Jacobsen		2.94	2.94		2.94
208	Craig A. Knutzen Patricia A. Knutzen	Craig Knutzen	Russell G. Young	2.96		2.96	2.96
209	Robert W. Spencer Jaclynn Z. Spencer	Robert Spencer		2.95	2.95		2.95
301	Susan R. Davis		Russell G. Young	3.06		3.06	3.06

302	Keith Reichelderfer	Keith Reichelderfer		3.08	3.08		3.08
303	Sheila Reichelderfer						
	Theodore R. McNitt			2.90	2.90		2.90
304	Joyce G. Ballard						
	Jonathan P. L. Gear	Jonathan P. L. Gear	Russell G. Young	2.97		2.97	2.97
	Robin L. Gear						
305	Scott C. Geiger	Scott C. Geiger		2.96			
	Gary D. Roberts						
	Michael B. Harlan						
	Thomas Weinreich						
306	Mark A. Cannon			2.94	2.94		2.94
307	George H. Buckland	George H. Buckland	Russell G. Young	2.95		2.95	2.95
	Julie D. Buckland						
308	William Boland			2.97		2.97	2.97
309	Harry L. Johnson			2.96		2.96	2.96
401	Harvey C. Jewett IV			3.84		3.84	3.84
	Cynthia A. Jewett	Russell G. Young					
402	Howard T. Cramer	Marie Cramer		4.00	4.00		4.00
	Marie Anne Cramer						
403	Stanley Axelrod	Stanley Axelrod		3.76	3.76		3.76
	Rose Axelrod						
404	Richard G. Seymour		Russell G. Young	3.86		3.86	3.86
405	Gordon MA Banks			3.86	3.86		3.86
	Cynthia L. Banks						
406	Richard G. Seymour		Russell G. Young	3.82		3.82	3.82
407	Harry L. Johnson		Russell G. Young	3.83		3.83	3.83
408	William Blattman		Russell G. Young	3.85		3.85	3.85
409	Stephen R. Baker	Russell G. Young		3.64		3.64	3.64
	Linda D. Baker						
TOTALS:				100.00	35.48	52.80	88.28

To: Snowdance Manor Condo Association Board
Russ Young, Manager

September 20, 2007

From: Rich and Elaine Hoover
Snowdance Manor – Condo 203

RE: Agenda item for Board Meeting on September __, 2007

In our correspondence with Russ Young concerning the upcoming meeting we learned that there may be an agenda item dealing with the responsibility of owners when a water leak or other damage is caused to another owner's condo. While my wife and I do not know the content of the letter from the Association lawyer, nor do we know the direction of the discussion or actions of the Board in this matter, we wanted to make some comments concerning this issue.

First of all, we have been good and loyal association members for almost ten years and we plan on continuing to be good members. Secondly, no one was more surprised than we when we were informed that the supply line for the ice maker in the refrigerator leaked. We immediately filed a liability claim with our insurance company to be certain that any damage to the condo below us (103) could be repaired as soon as possible. Personally, I made calls to KTTR, who is our current condo management company as well as our insurance company (Colorado Casualty), to be certain matters were being handled in as expeditious and effective manner as possible. We were and are most concerned that the owner of the 103 condo is dealt with in as conscientious manner as possible. We thoroughly regret the problems we have caused them through this unknown and accidental problem.

According to our insurance company, they have reached an accord with the insurance carrier of the owner of condo 103. Apparently there is agreement on the findings by both companies although I am unaware of the final disposition of this matter between the two companies.

Regarding actions by the Association for this type of issue, I would express some concern that the Association move cautiously in trying to manage the responsibility relative to owners of the condos. That is why each of us is required to carry property and casualty insurance. While there may be some exposure for the Association that needs to be taken care of through its declarations, the Association needs to be careful that it does not overstep its authority or get involved in legal issues due to its interpretation of liability, etc.

Lastly, apparently the owner of 103 is unhappy with having to deal with the problems caused by the leak from our refrigerator. We completely understand that and extend our heartfelt concerns to them. In no way do we want anything but a just outcome to this matter. However, that is why we buy insurance, to indemnify our liability in the case of negligence, etc. My wife and I have made no decisions relative to the outcomes of this matter. The case has been handled solely through our insurance company.

We hope this letter is not only read at the Board meeting but that copies are distributed to the Board and any members present at the meeting. We also would ask that this letter be acknowledged in the minutes of the meeting. Thank you.

Frascona, Joiner, Goodman and Greenstein, P.C.

Oliver E. Frascona
Gary S. Joiner
Jonathan A. Goodman
Gregg A. Greenstein
G. Roger Book
Joyce M. Bergmann
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August 21, 2007

Russell G. Young
Young Realty, Inc.
P.O.B. 1726
Dillon, CO 80435

Re: Ice Maker Leak
Our File Number: 19086

Dear Russ:

This letter will serve as a memorandum of what we discussed regarding liability for damage to a unit caused by an appliance in another unit. More specifically the ice maker in Unit 203 leaked and the water seeped into Unit 103 causing damage to Unit 103. Is the Home Owners Association liable or one of the unit owners? I have reviewed the By-laws and the Declarations. My opinion is based solely on my review of those documents and the law. I have not reviewed any insurance policies. Each unit owner should contact their insurance carrier and make a claim. Whether this particular type of claim is covered is not within the purview of my review and opinion.

Paragraph 9c of the Declarations addresses easements for repairs. It also addresses who is responsible to make the repairs. The last sentence of paragraph 9c states that if the damage to a unit or the common elements is caused by the carelessness or negligence of another unit owner then such unit owner is solely responsible for the costs and expenses of repairing the damage. Paragraph 10 addresses the responsibility of each unit owner to maintain the interior of the unit and all fixtures and utilities within the unit in order to avoid causing damage to other units or the common elements. Therefore it is the responsibility of each unit owner to make sure that all fixtures and utilities are kept in good repair.

Article IX, paragraph 3 of the By-Laws addresses maintenance and repair of the units. Each unit owner is responsible to reimburse any other unit owner for damage to the interior of a unit as a result of the negligence of a unit owner. Therefore if a unit is damaged by the acts or omissions of another unit owner, that unit owner bears the cost of repair.

Frascona, Joiner, Goodman and Greenstein, P.C.

Russell G. Young
August 21, 2007
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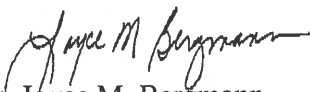
In this case the owner of Unit 203 is responsible to pay for the damage the leaking ice maker caused to Unit 103. As we discussed whether you characterize it as negligence or carelessness, the bottom line is that the ice maker was not kept in good repair, because it leaked. Had the leak been discovered immediately it may not have caused damage. Therefore the owner of Unit 203 is liable for the damage because he/she failed to discover the leak until it caused damage.

Looking at this from a purely legal perspective. The water trespassed into Unit 103. The source of the water was from Unit 203. Therefore Unit 203 is responsible for the damage caused to Unit 103.

The Association is not responsible for the costs to repair Unit 103 under the condominium documents or the law. The source of the water was not from a common element.

Please let me know if you need anything further.

Sincerely yours,


By: Joyce M. Bergmann
joyce@frascona.com

Frascona, Joiner, Goodman and Greenstein, P.C.

JMB:imp