

MINUTES
SNOWDANCE MANOR CONDOMINIUM ASSOCIATION
ANNUAL MEMBERSHIP MEETING – SEPTEMBER 25, 2010

Meeting was called to order by Ms. Marie Cramer, President at 9:02 A.M., Snowdance Manor Condominium building main lobby area, 23034 U. S. Highway 6, Keystone, Colorado 80435.

Persons present:

Marie Cramer representing Unit 402.

George Buckland representing Unit 307.

Paul Tosetti representing Unit 207.

Mark Cannon representing Unit 306.

Gordon Banks representing Unit 401 and 405.

Nina Gallo representing Unit 103.

Ruth and Mark Chapin representing Unit 408.

Russell G. Young, Association Managing Agent representing Units 101, 102, 104, 201, 202, 204, 205, 206, 209, 301, 302, 303, 304, 308, 309, 403, and 406, 407, and 409 by proxy.

A quorum was present with 87.32% represented – ownership in person (27.29%) and ownership by proxy (60.03%).

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

The next item on the agenda was the presentation of the previous annual membership meeting minutes for September 26, 2009. Ms. Cramer referred the members to Pages 1 through 9 of the agenda packet. Ms. Cramer asked the members for any comments,

discussions or corrections with regard to the minutes. With no other comments, discussions or corrections from the owners, a motion to accept the minutes as written was offered by Mr. Buckland. The motion was seconded. The owners 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 owners 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 206	2BR/2BTH	\$275,000
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Unit 403	2BR+Loft/2.5BTH	\$375,000
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3. Units sold/closed from 2009 to date:

Unit 401	2BR+Loft/3BTH	\$382,500	9-11-09
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4. The pool facility is presently closed until November 23, 2010. During the 2009 fall closure, all wood siding in the pool area were re-stained and the drywall walls were repainted. Total Cost: \$3,120.00. During the post winter pool facility closure, the complete drywall ceiling was repaired, re-textured and painted. Total Cost: \$4,583.75.

5. There were several roof repairs completed in late 2009, i.e. fireplace chase stacks and mid-summer of 2010, i.e. roof soffits and the main lobby roof repairs. Total Cost: \$28,209.65.

6. A vertical sewer line located in the south pool area wall separating Unit 104 had cracked and leaked apparently due to building settling. The sewer line crack probably occurred sometime in the past few years. Some mold was evident. The necessary sewer line repairs were completed along with the required mold mitigation clean-up and drywall repairs. Total Cost: \$5,986.51.

7. All the interior hallway walls were repainted this summer. Total Cost: \$2,485.00.

8. All 2nd, 3rd and 4th level hallway ceiling light fixture lenses have been replaced with new lenses which improves the light disbursement patterns. Total Cost: \$1,121.20.

9. **A new light sensor control switch has been installed in the common laundry room in order to conserve electricity. Total Cost: \$125.00.**
10. **Reminder: All owners should have their respective unit plumbing, i.e. toilets, drains faucets, water line connections, water heaters, ice maker water supply lines, etc. inspected annually prior to the winter season. Also, all unit electrical systems should be inspected every 3 to 4 years.**
11. **The hot tub and pool has recently been checked for a water leak. Fortunately, there were no major leaks discovered in the under-ground return and suction PVC lines. Just a couple minor leaks were discovered at the pool skimmer, under water light fixture, and entry pool steps. All necessary repairs were completed.**

With reference to Item #10, Ms. Cramer suggested that all units should have their respective plumbing fixtures, including water heaters, inspected annually. Ms. Cramer requested that Mr. Young obtain a per unit bid proposal from a licensed plumber and email all owners for their approval. The inspections would be scheduled prior to this winter seasons during a specific several day window time period. Owners would not be required to participate in this program, but it is highly recommended that all owners participate in order to protect all units and the building. Any required minor repairs would be completed during the inspections and billed directly to each owner. Major expense, i.e. water heater replacement, etc. would be presented to the respective owner for their approval. These annual unit inspections in bulk scheduling will save each owner service and repair costs. All attending owners concurred with Mr. Cramer's suggested recommendations.

With regard to the suggested electrical inspections, Mr. Tosetti asked Mr. Young if there had been many problems with unit electrical over the years. Mr. Young responded that unit electrical breakers do wear over the years and become more sensitive to "tripping", thus, the respective breakers should be replaced to prevent premature "tripping". Also, all the electrical outlets would be inspected to be certain of safe and correct operation. Any unsafe electrical connections would be reported to the respective owner.

These sort of regular proactive plumbing and electrical inspections do save money, prevent damage and helps to eliminate guest inconvenience issues during high occupancy periods.

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 owners 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 increased from \$5,408,000 to \$5,624,320 or a 4% increase from the previous policy period. Mr. Young explained that effective May 17, 2010, the annual policy premium for property loss had been increased by 4.07% and the umbrella liability coverage premium remained unchanged. Mr. Young reminded the attending homeowners to review their respective unit insurance policy as to any limits for damage coverage. For example, if a unit had a leak, i.e. ice maker line, water heater, etc. which resulted in damages to the unit below, your owner's unit insurance policy should cover all damages, not just the damage to your own unit. In the past, Colorado Casualty has not provided complete coverage to property outside the insured unit. The Travelers Insurance Company does provide such coverage. Mr. Young commented that he had compiled insurance premiums from 28 total Keystone homeowner associations to compare the per square foot premium rates. Mr. Young stated that Snowdance Manor had a .28 per square foot rate, which includes building replacement and liability costs, whereas the 28 unit association average was .31 per square foot. With no further discussion or comments, Mr. Young concluded his insurance report.

The next item on the agenda was the review of the 2009-2010 Year-End statement of operations offered by Mr. Tosetti. Mr. Tosetti referred the owners to Pages 12 through 15 of the agenda packet. Mr. Tosetti reported that the Year-End Gain was \$8,373.14. Mr. Tosetti stated that the Snow Removal Account was better than budget due to the mild snowfall last winter. Ms. Cramer commented that the snow removal contract for last winter was based on a per plow rate rather than a flat per month rate, which saves expense in a minimal snowfall year. The Electricity Account was better than budget by \$3,273.10 due to the fact that the 2009-2010 budget assumed an Xcel rate increase effective July 1,

2009, but in fact, the rate increased didn't become effective until January 1, 2010. The Fire Monitoring Account was \$613.96 better than budget due to minimal smoke/heat detector repairs and maintenance during the annual testing and certification phase. The fire monitoring and service contract is provided by Superior Alarm. Their contract provides a flat quarterly monitoring fee along the time and material for any repairs. Ms. Cramer asked Mr. Young if the smoke detectors were not the individual unit owner's responsibility. Mr. Young answered that the unit heat detectors are connected and part of the overall building's fire protection system. If a unit heat detector sounds an alarm, the entire building fire alarm system will activate and signal the 24-hour monitoring service and then the fire department. The unit's smoke detectors are not connected to the building's overall fire monitoring system, but instead, are designed for individual unit protection to notify and wake the respective unit guests in the event of a fire. Mr. Young further stated that during the building's construction, it was decided that the heat and smoke detectors would be inspected, serviced and repaired/replaced as part of the Association's operating budget. Mr. Young further stated that the Board of Managers decided last year that the service/replacement of the unit carbon monoxide detectors installed by owners as required by Colorado law would be the responsibility of each respective owner and not the Association. Mr. Young stated that each unit carbon monoxide detector should have its batteries replaced annually. An owner asked Mr. Young who is responsible for the fireplace inspection and cleaning. Mr. Young answered that the Association is responsible for the annual inspection, cleaning and certification of the fireplace flues, dampers and interior fire boxes. The repair and maintenance of the grate, fireplace screens and pulls are the responsibility of each respective owner. Mr. Young further stated that the common and unit fire extinguishers are inspected and certified annually as part of the Association's operating budget. With no further comments or discussion of the June 30, 2010 Year-End statement of operations, Mr. Tosetti concluded his report.

The next item on the agenda was the review of the 2010/2011 approved operating budget provided by Mr. Tosetti. Mr. Tosetti referred the owners to Pages 16 through 24 of the agenda packet. Mr. Tosetti reminded the owners that the 2010/2011 approved budget had been sent in June 2010 to all owners with the June 2010 quarterly newsletter. Mr. Young

stated that Page 16 reflected the actual/budget comparisons from 1999/00 fiscal year to the present 2010/11 budget. Mr. Young commented that the member operating assessment dues had increased by an average of 3.33% per year over the last 12-year history. Mr. Young further stated that the Accounting budget had increased by 24.71% from last year due to the fact that ACT Accounting had not had an rate increase for 12 years. Mr. Tosetti noted that the Cleaning-Maintenance budget, which reflected the costs of the on-site maintenance person's housing, had been reduced by 8.93% due to a decrease in the housing monthly rent from \$1,400 to \$1,275. Mr. Tosetti referred the owners to Page 24 of the agenda packet. Mr. Tosetti explained that the Comparison of Keystone Area Association Annual Operating/Reserve Costs was a report prepared Mr. Young every two years. This report reflected that Snowdance Manor's operating budget per square foot was better than the association average and the current reserve fund balance was one of the strongest as compared to all the listed 28 associations. A strong reserve fund is very important for the future health of the association and to perspective buyers. After a detailed review and no further comments or discussion, Mr. Tosetti concluded his report.

The next item on the agenda was the review of the August 31, 2010 Year-To Date operations report. Mr. Tosetti referred the owners to Pages 25 through 28 of the agenda packet. After a brief review of the August 31, 2010 statement of operations, Mr. Tosetti concluded his review.

The next item on the agenda was the review of the Reserve Fund. Mr. Young referred the owners to Pages 29 through 35 of the agenda packet. Mr. Young reviewed the Statement of Reserve Fund for 2009/2010 Year-End fiscal year on Page 29 along with the Statement of Reserve Fund for 2010/2011 Year-To-Date on Page 30. Ms. Cramer brought the roofing expense to the attention of the owners. Ms. Cramer commented that in the last couple of years, the roofing repairs have begun to mount with frequency. Ms. Cramer stated that she had arranged for a structural engineer to inspect the roof this summer. The engineering report reviewed the current roof design, problem areas and possible solutions. Ms. Cramer further stated that the engineer would revisit the building in the future in order to provide a more detailed proposal with estimated costs. Any roof re-design and/or

corrective repairs would be performed at the same time the roof was re-shingled, i.e. five to seven years. Any roof re-design could be costly, which is the reason that the future reserve fund growth is so important.

Mr. Young also referred the members to Pages 31 through 35 of the agenda packet and reviewed the long-term Reserve Fund Expenditure and Assessment and Analysis. Mr. Young explained that the Reserve Fund Expenditure & Assessment Analysis reflected various capital assets along with life expectancies, estimated replacement costs and current ages. Mr. Young 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. Mr. Young explained that a reserve fund balance between 70% to 100% of ideal funding was considered financial stable; a reserve fund balance from 30% to 70% of ideal funding was considered moderate reserve strength; and, a reserve fund balance under 30% was considered weak reserve strength. Mr. Young referred the owners to Page 32 and explained that the reserve fund balance would be approximately 69% funded by the year 2012. As the Reserve Fund balance approaches the ideal funding level, the Board of Managers would review the annual Reserve Fund contribution and realign the annual contributions to insure that the fund level does not exceed the required scheduled funds. Mr. Young reminded the homeowners that a healthy reserve fund was a very positive factor for the Association financial health and for future unit sales.

Ms. Cramer requested Mr. Young to read and review an email received from Mr. Bill Boland (Owner of 308) regarding his questions about the Reserve Fund.

Question: “Could we take a good look at the elevator? I don’t believe that total replacement will be needed in 2013. Maybe this reserve fund contribution could be reduced.”

Answer: Mr. Young responded that he had been in touch with our elevator maintenance provider and they indicated that elevators like the one in Snowdance Manor have life expectancies of between 20 to 35 years. The reserve fund schedule indicates 30 years as a reasonably conservative measure. Its life expectancy certainly could extend past the 30 years, but, the reserve fund would be prepared in

either event. Mr. Young further stated that a 2007 approved Colorado law would make it mandatory to upgrade the elevator to ADA standards along with other safety features.

Question: “Fireplace Box Replacements – Is this the association’s responsibility?”

Answer: Mr. Young stated that the fireplace box replacement and the flue is the responsibility of the Association. The fireplace box screens, pulls and grate are the responsibility of each individual unit owner.

Question: “Furniture-Pool Area – Does this need to be replaced next year? I know this is a small cost.”

Answer: Mr. Young responded that over the last few years, two lounges have been damaged and had to be discarded. The rest of the pool furniture is in good condition. The Reserve Fund Expenditure & Assessment Analysis schedule listed the pool furniture replacement in 2011. That life expectancy would most likely be extended past 2011 depending on the pool furniture condition.

Question: “Light Fixtures – Interior – Just take a good look if they really all need to be replaced in 2013.”

Answer: Mr. Young answered that the common hallway ceiling light fixtures would most likely not be replaced in 2013. The Board recently approved changing fixture lenses in order to improve the light disbursement. Sometime in the future, the lighting fixture may be changed out from the existing T-12 to T-8 system in order to save substantial energy.

Question: “Seeing that almost all categories are pretty well covered, do we need line 36 – Building Upgrade or is this for emergencies such as sewer, water, electrical, repairs, etc.?”

Answer: Mr. Young stated that Line 36 on Page 31 of the agenda packet, the Building Upgrade line item, had been inserted several years ago to account for any future unanticipated capital projects.

Mr. Banks asked Mr. Young what the total replacement cost was for all the expenditure items listed on Page 31. Mr. Young answered that as of 2010 the total replacement cost calculates to be \$866,600. Mr. Young referred the owners to Page 32 of the agenda packet.

Mr. Young stated that Line D represented a year-by-year Current Year-End Balance (Needed), Line J represented a year-by-year Current Year-End Balance (Projected) and Line K represented the percentage of the projected reserve balance of the needed balance (ideal funding). Ms. Cramer stated that the Board had set a goal of 70% of ideal funding for the Reserve Fund. Mr. Chapin asked if the proposed roof medications discussed earlier in the meeting were included in the Reserve Fund Analysis. Ms. Cramer answered that those costs were not included in the analysis since the costs had not been established yet. Any roof medications would most likely be completed during the next roof re-shingling.

After a complete discussion of the reserve fund future schedule, Ms. Cramer concluded this report.

The next item on the agenda was Open Discussion.

Ms. Cramer stated that the Board would be reviewing and updating the Bylaws and Rules and Regulations in the near future. Ms. Cramer also brought up the topic of BBQs on the unit balconies. The current Rules and Regulations do not permit BBQs on the balconies. The attending owners felt that electric BBQs would be the best and safest solution in allowing BBQs on the balconies. Ms. Cramer stated that the Board would look into the various options and provide the owners with its recommendations.

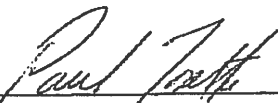
The next item of Open Discussion was the need for bike racks. The owners agreed that the Board should look into the costs and the location of the bike rack.

Mr. Young referred the attending owners to the Board of Managers' and owners' lists on Pages 37 through 43 of the agenda packet. If any corrections were required, the respective homeowner should contact Mr. Young.

With no further open discussion items, Mr. Cramer concluded the open discussion.

The next item on the agenda was the Board of Managers election. Mr. Young explained that Mr. Tosetti's position was up for re-election. Mr. Tosetti indicated that he would run for a 3-year term. With no further nominations offered from the floor, the nominations were closed. Mr. Tosetti was unanimously re-elected for a three-year term.

With no further discussion, Mr. Buckland made a motion to adjourn the meeting. All attending owners agreed. The meeting was adjourned at 11:06 A.M. The attendance roll is attached to these minutes and incorporated hereto.



Paul Tosetti, Secretary

11/1/2010

Date

September 25, 2010 - 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	Michael L. O'Shea Molly K. Vap O'Shea	Michael L. O'Shea	Russell G. Young	3.04		3.04	3.04
102	Michael S. Woodward Kelly B. Woodward Scott D. Woodward	Michael S. Woodward	Russell G. Young	3.06		3.06	3.06
103	Sullivan S. Gallo Antoinette Gallo			2.91	2.91		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	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		2.90			
204	Andrew N. Peterson Lori L. Peterson	Russell G. Young		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	Russell G. Young	2.95		2.95	2.95
207	Paul E. Tosetti Holly K. Tosetti	Paul Tosetti		2.94	2.94		2.94
208	Craig A. Knutzen Patricia A. Knutzen	Craig Knutzen		2.96			
209	Robert W. Spencer Jaclynn Z. Spencer	Robert Spencer	Russell G. Young	2.95		2.95	2.95
301	Susan R. Davis		Russell G. Young	3.06		3.06	3.06

302	Catherine G. Reedy		Russell G. Young	3.08		3.08	3.08
303	Theodore R. McNitt Joyce G. Ballard	Russell G. Young		2.90		2.90	2.90
304	Jonathan P. L. Gear Robin L. Gear	Jonathan P. L. Gear	Russell G. Young	2.97		2.97	2.97
305	Scott C. Geiger Michael B. Harlan Thomas Weinreich	Scott C. Geiger		2.96			
306	Mark A. Cannon			2.94	2.94		2.94
307	George H. Buckland Julie D. Buckland	George H. Buckland		2.95	2.95		2.95
308	William Boland		Russell G. Young	2.97		2.97	2.97
309	Harry L. Johnson		Russell G. Young	2.96		2.96	2.96
401	Gordon M. A. Banks Cynthia L. Banks	Gordon M. A. Banks		3.84	3.84		3.84
402	Howard T. Cramer Marie Anne Cramer	Marie Cramer		4.00	4.00		4.00
403	Stanley Axelrod Rose Axelrod	Stanley Axelrod	Russell G. Young	3.76		3.76	3.76
404	Gene H. Novak Mathew E. Hanson			3.86			
405	Gordon MA Banks Cynthia L. Banks	Gordon MA Banks		3.86	3.86		3.86
406	John L. Seymour		Russell G. Young	3.82		3.82	3.82
407	Harry L. Johnson		Russell G. Young	3.83		3.83	3.83
408	Thomas M. Moser Lisa A. Slezak-Moser Ruth and Mark Chapin	Mark Chapin		3.85	3.85		3.85
409	Stephen R. Baker Linda D. Baker	Russell G. Young		3.64		3.64	3.64
TOTALS:				100.00	27.29	60.03	87.32