

Shadow Mountain Townhome Association Annual Homeowners' Meeting

Wednesday, February 9, 2011

3:00 p.m.

Aspen Square Condominium Hotel Conference Room
617 E. Cooper Avenue, Aspen, Colorado

I. Call to Order & Roll Call

Mr. Michael Mizen called the meeting to order at 3:09 p.m. on February 9, 2011. He noted that it was the 46th annual meeting of the Shadow Mountain Townhome Association.

| Unit No. | Attend | Proxy | Proxy to |
|------------------------|--------|-------|------------|
| 1 - Prunskis | 9.83% | | |
| 2 - Hang Ten | | | |
| 3 - Kabert | 4.51% | | |
| 4 - Peacock | 4.51% | | |
| 5 - Klindworth | | 4.51% | Alex Biel |
| 6 - Klindworth | | 4.51% | Alex Biel |
| 7 - Ellis | | | |
| 8 - Pinniger | | 4.51% | Tim Tucker |
| 9 - Kaufman | 4.51% | | |
| 10 - Gilbert | 4.51% | | |
| 11 - Leonard-Peck | | | |
| 12 - Brown | | 4.51% | Tim Tucker |
| 13 - Carroccio | | 4.51% | Alex Biel |
| 14 - Tucker | 4.51% | | |
| 15 - Seelbach/Mizen | 4.51% | | |
| 16 - Cope | 4.51% | | |
| 17 - Stone | 4.51% | | |
| 18 - Harvey | | | |
| 19 - Cope/Ryan-Douglas | 4.51% | | |
| 20 - Washington | | | |
| 21 - Biel | 4.51% | | |

| | | |
|--------------------------|-------|--------------|
| Total by type | 54.9% | 22.5% |
| Total Represented | | 77.4% |

A quorum was attained as 77.4% of the Owners were represented either in person or by proxy. Also present were Mr. John Laverman of Summit Property Management, Inc., Mrs. Susan Spalding of Spalding Management Services, and Mr. Mickey Spalding, recorder.

II. Notice of Meeting

Mrs. Spalding indicated that notice of the meeting had been e-mailed or sent via U.S. Mail to Owners without e-mail on January 6, 2011. There was no disagreement.

III. Approval of Minutes

Mrs. Peggi Mizen made a motion to approve the minutes of the February 3, 2010 Annual meeting. Mr. Bob Peacock seconded the motion. All were in favor.

IV. Management Company Reports

A. Financial Report

1. Year Ended 10/31/10 Financial Statements

Mrs. Spalding reviewed the financial report for the year ended October 31, 2010 for the Association, which was included in the meeting packet. She noted the operating expenses totaled \$290,402 for the year, which was \$5,998 under budget. She told the Owners that in order to avoid paying taxes on the assessments, \$42,426 of Operating Assessments were reclassified by a vote of the Board to Capital Reserve Assessments; given that the Association's operating expenses had been under budget for two years.

2. Verification of Bank Balances

Mrs. Spalding referred the Owners to a letter from Reese Henry & Co. on page 18 of the meeting packet wherein they had verified the bank balances for the Association, which they prepared in conjunction with completing the Association's tax returns for the year ended October 31, 2010.

3. Approved Budget for Year Ending 10/31/11

Mrs. Spalding reviewed the budget as presented in the packet. She stated that the budgeted Operating Assessments total \$294,000 for the year ending October 31, 2010, which was unchanged in total from the prior year. She told the Owners that the Board voted to keep the Capital Reserve assessment at \$36,000 for the fiscal year. Mrs. Mizen made a motion to adopt the budget as presented for the year ending October 31, 2011. Mr. Peacock seconded. All were in favor.

4. Capital Reserve Study

Mrs. Spalding referred the Owners to the Capital Reserve study as presented in the meeting packet. She told the Owners that this had been put together as a reference tool as required by the State of Colorado. She noted that it was a broad scope planning document, and not necessarily to be considered as a directive for specific action or actions.

5. Insurance Renewal

Mr. Mizen reminded the owners that they are responsible for the interior coverage for their units. He encouraged them to contact their insurance agents to make sure they are adequately insured. He referred them to the insurance summary which was in the packet, which had also been sent to them by Mrs. Spalding.

B. Property Manager's Report

Mr. Mizen introduced John Laverman of Summit Property Management. He told the Owners that Mr. Laverman had purchased Borkovec Management and had been working on the property since November of 2010.

Mr. Laverman told the Owners that he had received Board approval to install heated mats at the pool gates so as to prevent ice from forming.

Dr. Prunskis asked Mr. Laverman to address the paint which was flaking under Unit 1's overhang, which Mr. Laverman agreed to do.

Mr. Laverman encouraged the Owners to clean their faucet screens so as to improve water pressure.

Mr. Gilbert expressed his gratitude for Mr. Laverman's knowledge and care for the property.

V. President's Report

Mr. Mizen informed the Owners that a bid was obtained to replace the stairs from Unit 16 to 17. It totaled \$94,885. He told the group that the Board had directed Mr. Laverman to try to make improvements to the stairs instead. Mr. Kaufman asked about installing heated mats on the stairs. Mr. Laverman said he would look into it.

Mr. Mizen informed the Owners that the pool fence had been required by the insurance company. He then expressed thanks to the Board for their contributions to the Association.

VI. Old Business

A. South Aspen Street Development

Mr. Mizen referred the Owners to the revised drawing for Lift One Lodge, which was contained in the meeting packet. He told them that Mr. Dierking and Mrs. Carroccio continue to be in contact with the developer, and that the Board has concerns about the loss of street parking and potential loss of spaces from the Association's lot. He assured the Owners that the Board will continue to monitor the situation. He said that no new information had been received about the Lodge at Aspen Mountain development.

B. Stabilization Monitoring

Mr. Mizen told the Owners that one of the three inclinometers was no longer functioning, and that the readings from the others indicate that no movement was occurring. He told them that the Board had decided to investigate the cost of installing one on the other side of the property.

VII. New Business

A. Laverman Contract

Mr. Mizen told the Owners that the Board had approved signing a contract with Summit Property Management for the maintenance of the property, subject to a legal review of the contract terms.

B. Tram Projects

Mr. Mizen asked Owners to inform Mr. Laverman or Mr. Sullivan of any problems encountered with the tram. He told the Owners that three specific projects are under investigation for the tram, which includes:

- i. Raising the concrete pads as requested by the tram inspector. This is a relatively low cost process.
- ii. Investigate replacing the car. The Board has directed Mr. Laverman to price one.
- iii. Electrical Issues of the main panel – the Board has directed Mr. Laverman to price the cost of replacing it which might alleviate the problem with the tram not stopping at level three.

C. South Aspen Street Parking Permits

Mr. Mizen told the Owners that they could go to the City to obtain parking permits for South Aspen Street.

D. Water Line Issue

Mr. Laverman told the Owners about the leak in the water line that caused problems with the exterior wall of Unit 2. He told the Owners that the Board had directed him to investigate the cost of replacing the main water line to the property.

E. Radon Remediation

Mr. Laverman told the Owners that he had hard-wired a number of radon fans. Mrs. Stone asked about doing ongoing radon testing. Mr. Biel directed Mr. Laverman to investigate purchasing a radon test kit to use at regular intervals on the property.

F. Crawl Space Temperatures

Mr. Laverman told the Owners that the radon fans drew cold air into their crawl spaces. He said he is looking at installing insulation to help mitigate this.

G. Energy Audit Results

Mr. Mizen told the Owners that the Board had asked Mr. Laverman to submit a proposal on implementing the more affordable recommendations that were contained in the energy audit report.

H. Common Element Improvements

This item was covered under other topics.

I. Other – Storm Door Standard

Mr. Mizen told the Owners that the new storm door standard could be found at http://www.larsondoors.com/storm_doors/products/346_86. He said he would post it on the website. The storm doors are the responsibility of the individual unit Owners.

J. Other – Mr. Tucker asked the Board to investigate the cost of installing either a commercial or residential fire alarm system. Mr. Biel told him that he had installed a system to turn the water off to his unit in the case of low temperatures or detection of water. It was agreed that Mr. Laverman would look at the cost of installing a system.

K. Other – Mr. Kaufman expressed appreciation to the Board for their efforts. The Owners echoed with their thanks.

L. Other - Mr. Tucker asked Mr. Laverman to repair the cracks in the stucco outside of Unit 14, to which Mr. Laverman said he would look into it. Mr. Tucker also said that there were new cracks in his guest bedroom and upstairs bathroom. Mr. Laverman said he would check the jacks underneath the unit.

M. Other – Dr. Prunskis asked about increasing the pool temperature so it could be advertised as a hot tub. Mr. Spalding told him that it still could not be advertised as such. Mr. Laverman agreed to look into the cost of installing a hot tub within the pool area.

VIII. Approval of the Actions of the Board of Managers

Mrs. Mizen made a motion to approve the actions of the Board of Managers. Mr. Peacock seconded the motion. All were in favor.

IX. Election of Board Members

Mrs. Stone made a motion to re-elect all six of the current Board Members. Mr. Kaufman seconded the motion. The slate included Michael Mizen, Alex Biel, Don Gilbert, Todd Klindworth, Chrissy Carroccio, and Bruce Dierking. All were in favor.

X. Set Time and Date of Next Meeting

Mr. Mizen stated that the next Annual Owners' Meeting will be held on Wednesday, February 8, 2012 at 3:00 p.m., with the Board Meeting taking place the day before.

XI. Adjournment

Mr. Mizen adjourned the meeting at 6:05 p.m. All were in favor.