

**MINUTES OF THE BOARDS OF DIRECTORS MEETING
LAURELWOOD CONDOMINIUM ASSOCIATION
LAURELWOOD UNIT SERVICES ASSOCIATION**

Monday, September 22, 2014

**Meeting at Laurelwood Unit 301
Snowmass Village, Pitkin County, Colorado**

All Board Members were in attendance: David (Jake) Jacobsen, President; Ed Cort, Treasurer; Diane Schlough, Secretary; Kathy Kridel; and Leslie Jenkin as well as Jami Downs, Laurelwood Manager. Owners in attendance: Bob and Jane Lucas.

The President of the Associations, Dave (Jake) Jacobsen called the meeting to order at 8:08 a.m. and requested a motion to hold the LCA Board and the LUSA Board meetings concurrently. Schlough so motioned; Jenkin seconded. Approved unanimously.

LCA/LUSA BOARD MEETING:

President's Report

Jacobsen provided a brief overview of the status of the Laurelwood property, which was very positive in all aspects. He advised that Manager Downs would provide details during the Manager's Report.

Jacobsen then asked if there were any new items to add to the meeting agenda. He recommended that property insurance be added to new business. Cort requested that summer parking be added. All agreed.

Treasurer's Report

Cort advised that LCA and LUSA are doing well overall. The financials are on balance and to date all the numbers look good. The details will be reviewed during the discussion of the proposed budgets later in the meeting.

Report of Manager

Downs announced that two guests would be joining the board meeting: Greg Rulon, Interlude Board member and Ann Boenning from Wells Fargo bank. Mr. Rulon relayed information regarding his knowledge and research on Wells Fargo's reluctance to lend or refinance properties covered under pooled or blanket property insurance policies due to new mortgage loan regulations by Fannie Mae. Apparently the concern is that a future disaster, a natural disaster, which affected all the properties in one region covered under a pooled policy, might not provide sufficient damage coverage. Both Laurelwood and Interlude are part of a pooled or blanket insurance policy provided through Destination Resorts.

When Ms. Boenning joined the meeting, she confirmed this update. All parties are continuing to work together to reach a solution and are in regular email conversations about possibilities. Once this can be resolved, Ms. Boenning confirmed that Wells Fargo does lend on properties designated as "resort condominium" and list the Laurelwood and Interlude in this category. One basic difference in Wells Fargo resort condominium lending is a required 30 percent cash down

payment on the property. Another option for potential borrowers is to find a lender that warehouses loans, or retains loans in-house rather than to sell to a Fannie Mae.

The discussion concluded with the Board's commitment to continue working with Wells Fargo, the insurance provider, or other insurance providers, to reach an agreement on how to move forward. At this point, Ms. Boenning and Mr. Rulon excused themselves from the meeting.

Downs then continued with the Manager's report.

LCA:

- Building(s) are in fine shape; currently reinstalling cable in new conduit on the roof.
- Resort Internet has presented a "Smart Innovations" service improvement which will reduce the current multiple channel connectivity boxes into one unit. Downs will enter into discussions with Resort Internet for the changeover.
- Maintenance of the railings: Downs has obtained estimates to either: 1) professionally sand down and repaint (\$50,000) or 2) to sand effected spots and then completely repaint (\$10,000). Cort motioned to go forward now with the second proposal for \$10,000; Jenkin seconded. All in favor; none opposed.
- Capital reserve: The reserve is now approximately \$138,000. Downs proposed obtaining bids for a capital reserve study to be done in Spring, 2015.
- Downs is planning additional tree replacements; summer landscaping went well.
- Downs proposed to install an automatic glycol feeder on the heating system and will research a unit to purchase.
- The painting touch-up in all common areas, excluding doors, is complete.
- Cleared all the drains in the 100 Building to eliminate potential leaks.

LUSA:

- New reservations system: All training to date has gone well; LUSA statement will have a new look; the new timeline for the changeover is November 1; this new V12 system is for LUSA; will continue to use FRS with QuickBooks for LCA.
- Acting as HOA manager for Sonneblick as part of duties for Destination Resorts became too time consuming and has resigned from those responsibilities.
- Wrapping up on the agreement between the Aspenwood and Laurelwood to provide guest check-in etc.; Aspenwood will have their own front desk and office under Destination Resorts, starting November 1, 2014.
- Dave Spence submitted his resignation from Destination Resorts effective at the end of this winter season; Spence will remain as consultant for the new manager for an interim period.
- Downs introduced the potential of charging service fees for added services as other properties have done. Discussion ensued and ended with the acknowledgment that LUSA is a non-profit so not looking to charge extra fees to earn income. Laurelwood's position is to continue to review raising room rates as deemed appropriate.

Review of LUSA Budget:

With the LUSA proposed budget review completed, the Board tabled approval of the budget subject to review of the LCA budget.

Buildings and Grounds Tour:

As customary with prior meetings, Downs and the Board members walked throughout the buildings and grounds to review the status first-hand. Some items were noted and discussed; overall all the property is in good shape.

The Board recessed for lunch at 12:35 p.m. and reconvened at 1:20 p.m.

Review of LCA proposed budget:

Downs led a review of all line items with questions and discussion throughout; after making some adjustments, all line items were revisited, and the Board reached agreement on the revised proposed budget.

Schlough introduced a motion to approve both the LCA and the LUSA budgets as amended. Jenkin seconded. None opposed. Motion approved.

Report of the Manager (continued)

- As noted in the tour, the stairway lighting is to be redone this fall.
- Rental prospects are good; the winter bookings are pacing ahead of last year.
- Marketing plans: Have narrowed the scope to Florida and the Denver area as the best marketing events to attend; continuing to review rate increases.
- Parking lot issues last summer: Downs is continuing to work with the town on solutions for future dates with group events take up the parking lot spaces.

New Business:

Owners' Meeting Date: After discussion of potential winter season rentals, the Board decided on Thursday, March 19 and Friday, March 20, 2015, for the annual meeting.

February 1, 2015, before midnight, was established at the deadline date for owners intending to run for the two Board seats up for election. Bios need to be submitted to Jami Downs.

With no further open LCA or LUSA items, Jacobsen requested a motion to adjourn the Board meeting to an executive session at 3:15 p.m. Cort so moved. Schlough seconded. Approved unanimously.

Respectfully submitted,

Diane Schlough
Secretary
Boards of Directors, LCA and LUSA