



Sun Vail Condominium Association
Annual Meeting
August 21, 2004

Present:

- 12A Joyce and Len Levitan
- 13A Vivian Greene
- 12B Dan Rink
- 14B Craig Nelson
- 21B Joyce and Peter Steele
- 22B Brian and Jane Wilson
- 31B Shirley and Denny Lee
- 34B Lino Piedra, Kathryn Griesinger
- 11C Rich Levin
- 12C Ivan and Isla Volkers
- 13C Dale Bugby
- 14C Mike and Ingrid Schneider
- 21C Karen and Dick Sikorski
- 23C Martha Cranor
- 31C Karen and Dick Sikorski
- 32C Michelle Anderson
- 33C Harold Magoun
- 11D Robert and Marilyn Newblatt
- 13D Jack and Shirley Henry
- 22D Barry Radell
- 24D Marilyn and Ron Johnson
- 31D Kris and Dave Craigo
- 34D Dennis Koller
- 14E Bruce Anderson, Lynne Gertz
- 22E Barry Coleman
- 23E Bruce Anderson, Lynne Gertz
- 31E Carol Keaveney
- 32E M. Jacquet
- 33E M. Jacquet
- Robert Lazier
- Myra Lansky, Esq.
- Michael D. Judd, Esq.

Steve MacDonald, Marybeth Walker - Vail Management Company

Proxies: 11A Inversiones Roher, CA to Johnson
 32B Segelke to Rich Levin
 23D Forth to Ron Johnson

- The Association's attorney, Myra Lansky, announced that the meeting would be run professionally and according to the Association's documents.
- Call to Order
- Certification of Proxies - There were 22 proxies held by Dale Bugby that were not able to be certified according to the Association By-laws requirements that the proxies be on the proper Association form. Mr. Bugby asked to go on record that he is not in agreement with the Board's position on certifying proxies.

It was established that a quorum was present.

- Introduction of Bob Lazier – A letter written by Mr. Lazier in support of the Board of Directors and Vail Management Company was distributed. Mr. Lazier also expressed his willingness to rent his garage space to Vail Management Company later this year when it becomes available.
- Review and approval of the Agenda – Len Levitan moved to approve the agenda. Shirley Henry seconded. All were in favor.
- Minutes of last year's Annual meeting – Michelle Anderson moved to dispense with the reading of last year's minutes. Dick Sikorski seconded. All were in favor.

Len Levitan moved to approve the minutes of last year's annual meeting. Jack Henry seconded. All were in favor.

- Review of Financials – There is \$115,432 in checking and savings as of 5/31/04. All owners are current with dues except six. The budget vs. actual is under budget for the last year ended May 31, 2004 by \$19,139. The 2004/2005 budget has been approved by the Board of Directors and remains the same as last year with no increase in dues.

Mike Schneider moved to accept the financial report for 2003/2004. Dick Sikorski seconded. All were in favor.

Rich Levin moved to approve the 2004/2005 budget. Dick Sikorski seconded. All were in favor.

Karen Sikorski moved that, in the future, the financials be sent to all homeowners one week before the annual meeting. Hal Magoun seconded. All were in favor.

- Recap of Revitalization Project – The current total cost for the project is \$1,307,953. An audit of the project will take place after completion. The intention is that no further assessments will be needed. There was discussion and questions from the floor regarding the project.

Joyce Levitan moved to accept the project report. Rich Levin seconded. All were in favor.

- President's Report – Ron Johnson thanked Joyce Levitan for her efforts in writing the newsletter. He also thanked Brian Wilson for eight years of service on the Board of Directors, and for updating the House Rules and the By-laws. Hal Magoun was also thanked for his service on the Board.

Ron reasserted the Board's mandate to abide by the Association's documents. The Board feels strongly about avoiding conflicts of interest. Both of these items help to keep the Association out of harms way from a legal stand point. There have been many problems with the current and previous Boards and Vail Resort Rentals working together the past several years. The goal needs to be to resolve this conflict.

Issues for the next Board to consider include an attractive entry walk at the east end of the property, upgrades in the lighting at the project, repair or replacement of the balcony railings, and siding and painting.

Vice-President's Report – Brian Wilson thanked Ron Johnson for spearheading the vision for the revitalization project and for sitting on the Board to help carry out the project.

Treasurer's Report – Rich Levin reported that an audit of the revitalization project will take place this fall. Approximately 1/3 of the annual budget goes into a reserve fund to be used for larger projects.

Secretary/Communications Report – Mike Schneider reported that there were two newsletters put out this past year and repeated the request for all homeowners to provide their email addresses to improve the lines of communication.

Board member at-large, Hall Magoun, had no comments.

- Association Manager's report – Steve MacDonald reported that it had been a difficult year with a large revitalization project that doubled in size from the original plan. There were many changes and additions that became necessary per the projects expert consultants. The assessment money was slow in collection which made it difficult to pay the contractor on time.

There were times that we had over \$100,000 in bills that we could not at that time pay. Keeping contractors on site to finish work was extremely difficult when we were not paying them for the work completed.

Sales reflect that property values have increased by 20-30% in the past 18 months. The renovation project has Sun Vail staying ahead of the improvement curve in Lionshead and Vail Village.

Insurance should be a high priority for the Association. Losing insurance when multiple claims have been received can result in premiums that are 2-3 times higher and have much higher deductibles. State Farm's attorney has expressed concern as to conflicts of interest between Association management and unit owners. It is a conflict of interest when a manager solicits proxies and then votes on issues that can monetarily benefit his company. Vail Management does not solicit proxies to avoid this conflict and to help protect your Association insurance.

Steve also recommended that if homeowners want more input in the affairs of the association, that they form committees to address, for instance, landscaping, snow removal and long term planning. This input can be given to the Board of Directors for them to give clear direction to the management company.

- Vail Resort Rentals Report – Dale Bugby reported that he receives many questions and inquiries from the homeowners. His opinion is that homeowners are fed up with surprises and assessments, including that the meeting in April was not being recognized as an official meeting. Vail Resort Rentals would hire more employees if they were hired as Association Manager.
- Motions A, B, and C - The Homeowners voted unanimously in favor of the motions which are attached to these minutes.
- Motion to Increase the Board of Directors – Bruce Anderson moved to increase the Board of Directors from five to seven people, four to be elected on odd years and three on even years. Bob Newblatt seconded. There were 13 in favor and 17 opposed. The motion was defeated.
- Motion to repeal section of By-laws – Lino Piedra moved to repeal Article 4, number 6 of the By-laws stating that the managing agent shall not be an owner at Sun Vail. 12 were in favor, 14 were opposed. There were seven abstentions. The motion was defeated.

- Election of Board of Directors –

Joyce Levitan nominated Dick Sikorski..
Katherine Griesinger nominated Bruce Anderson.
Lino Piedra nominated Bob Newblatt.
Bob Newblatt nominated Dennis Koller.

Len Levitan and Karen Sikorski volunteered to be scrutineers for the voting.

The two new Board members for 2004/2005 are Dick Sikorski and Dennis Koller.

- Semi-annual homeowners meeting – Jane Wilson moved to hold semi-annual homeowners meetings. Shirley Henry seconded. All were in favor.

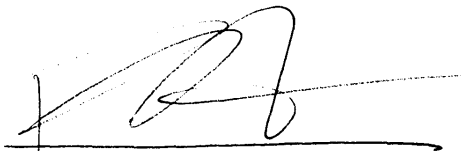
Lino Piedra moved that the membership be polled as to the date for the winter meeting and that the most popular date be selected. Jack Henry seconded. All were in favor.

- Adjournment – Mike Schneider moved to adjourn the meeting. Rich Levin seconded. All were in favor.

The following homeowners volunteered for the long range planning and landscape committees:

Long Range Planning: Danny Lee, Lino Piedra, Barry Coleman, Jack Henry, Joyce Levitan

Landscaping: Kathryn Griesinger.



Bruce Anderson
Secretary

8/29/05