

NOT YET APPROVED

NORTHWOODS CONDOMINIUM ASSOCIATION
Minutes of the Annual Meeting of Owners
December 28, 2015

The annual meeting of the owners for Northwoods Condominium Association was held on December 28, 2015. The meeting was convened at 5:00 pm in the D/E Connection Hall on the association's premises. Don Childress, the association's president and the board chairman, presided as the chairman of the meeting. Other directors who were present included Javier DePedro, Dick Michaux, Miguel Jauregui, and Scott Martin. Also present were the association's managers, Colette and Patrick Pinnell, as well as the association's accountant, Mike Phillips. Norman Helwig, the association's attorney, was present and served as the acting secretary in order to take the minutes of the meeting.

The chairman called the meeting to order and reported that sufficient representation of the general membership of the association was in attendance at the meeting, either in person or by proxy, and that a quorum had been achieved in accordance with the bylaws. The chairman opened the meeting and asked for a motion to approve the minutes of the December 29, 2014 annual meeting. Upon motion made and duly seconded, the minutes of that meeting were duly approved.

The first item on the agenda concerned the association's annual financial update. Don explained that the association's financial statements as well as the board-approved budget for the upcoming fiscal year had been made available to all of the unit owners. The financial statements have been audited, and a copy of the audit report was distributed.

Don reported that the association had experienced a \$222,913.00 operating surplus with respect to budgeted operating expenses for the 2014/15 fiscal year. He explained that the operating surplus had been allocated by the board to the next fiscal year's operating budget.

Don then turned to Dick Michaux for a report on the 2015 renewal project. Dick observed that the association now had of new set of renewed buildings that were attractive and modern in appearance as well as having noncombustible exterior materials. He pointed out that the goal for the project had been to update and renew the exterior appearances of the buildings and not to change the essential nature of the community. Throughout the process leading up to the commencement of construction, the buildings renewal committee reached out to owners in each building for design input and color selection ideas.

Dick pointed out that the 2015 renewal project took place during two ARC construction seasons and during the summer for a total of seven months altogether. The willingness of the owners to close the buildings for the summer was a key factor in saving considerable construction costs. Dick thanked the owners for their willingness to close the buildings during the summer. Preliminary calculations indicate that the project was completed for less than the budgeted amount. The boiler replacement work was also completed for less than the amount budgeted for this specific work.

Dick explained that although the expansion of the gym in the spa area was part of the master plan, this expansion work was not performed as part of the 2015 renewal project. He observed that most of the owners are in favor of doing this work. As a result, the board has decided to go ahead with this project in the 2016 fiscal year. It will require the association's rental apartment (Unit B218) to be converted into the enlarged gym space. Dick discussed the loss of the rental apartment and explained that the space was not being utilized for its highest and best use. He also pointed out that the gym expansion can be completed for a cost of approximately \$300,000 without any new athletic machines or equipment. Funds for this project have already been allocated in the reserve account, and no additional assessments will be necessary.

Dick addressed potential noise problems emanating from the gym area. He explained that the existing gym space had been remodeled as part of the 2015 renewal project. The floors were stiffened, and various sound retardant features had been added. When the gym is enlarged next year, the same sound and vibration reduction schemes will be utilized for the expansion spaces in order to address sound and vibration concerns of adjoining unit owners. In addition, the expanded gym space will be limited to uses that will minimize impact activities. There will also be a different entrance. This should decrease traffic in the adjoining hallway.

Several owners had questions concerning the selection of exterior colors for the buildings as part of the renewal project. Dick pointed out that owner input and feedback on possible color selections had taken place prior to the commencement of construction of the project. A large majority of the owners had expressed a desire to retain the dominant color pattern in order to achieve the goal of renewing and upgrading the appearances of the buildings rather than creating dramatic changes.

A number of owners in the A Building asked about the carpet selection in the common areas and also about wainscoting. It was agreed that the carpet could be improved and that wainscoting should be introduced in these areas. There was also a discussion on the need to change the appearance of the elevators in the E Building. Don encouraged the owners to talk with their fellow owners in each building and to bring any decorating or design suggestions to the attention of the board or the architectural review committee.

At this point, Don asked the owners to provide Dick Michaux with their appreciation and thanks for the tremendous job that he had performed on the 2015 renewal project. Scott Martin then asked the owners to also recognize Don for his stalwart leadership and contributions to the project.

Under the new business agenda, several owners asked questions about the Ski Club Vail Building project. Miguel provided a comprehensive history and review of this project and explained that the actual building structure had been approved at the Town of Vail level. He believes that the new structure will make the streetscape appearance more beneficial in this area.

A number of owners complained about the current condition of the ski access paths and the ski tunnel on Golden Peak. There was also a discussion of possible construction/expansion of ski operations in the Golden Peak area. Miguel pointed out that the association possessed

identifiable ski-in and ski-out access rights that could not be rescinded by Vail Resorts, and that this feature had been an integral part of the Northwoods community dating back to the initial development of Northwoods by Vail Resorts.

The chairman asked if there was any new business to come before the meeting. Hearing nothing further, the chairman, upon motion made and duly seconded, adjourned the meeting.

A handwritten signature in cursive script that reads "Norman R. Helwig".

Norman Helwig, Acting Secretary