

Annual Meeting

Interlude Condominiums

December 15th, 2020

Call to order 2:00pm

Roll Call:

Lacy Boggess President, in person
Ernest Boone, Vice President, in person
Judi Lohr, Secretary, In person
Jami Downs, General Manager, In person
Skip Sinclair, Resident Manager, In person
David McGrath – Zoom
Edina & Slobodan Grujic - Zoom
Joan Glover- Zoom
Carole Schuller- Zoom
Bill Burwell, In person
Andrew Jacobs- Zoom
Carol Swanick

Henrique Jordon-, In person

Etkin Camoglu- in person
Ron Tucker- in person
Jerrilynn Kline- Zoom
Kathi Greenfield- Zoom
Eliza Giosmas- Admin- Zoom

Approval of last years meeting minutes:

Lacy suggests skipping the reading of 2019 Annual Board Meeting minutes. Ron has motioned and David has seconded.

New Business:

All attendants in person and on Zoom go around room and introduce themselves. Lacy Boggess explains that only owners can vote, or those authorized as proxies prior to the beginning of the meeting. Ernie Boone reminds all of Robert's Rules of Order; that is, to speak only about the current topic being discussed you must be recognized by the Chairman of the meeting.

Lacy Boggess begins by welcoming the new Interlude owners, as there are five new faces this year. There is also a new board member, Judi Lohr. She has owned at Interlude for many years and has agreed to take David McGrath's place upon his departure. Our by-laws allow for the Board to name an owner to replace a resigning board member until that person can get ratified at the next annual meeting.

Lacy Boggess states that Interlude is a special place for all of us and he feels it is the best space on the mountain. He recalled previous projects. For example, Interlude owners who have an upslope view

should know that Interlude owns most of what you see. He noted that the Aspen Ski Corporation has a significant easement on the slope.

In regard to new business, for years the board has planned to enhance the walkways and decks at Interlude. At last year's annual meeting we presented the results of analyzing almost all of the decks and railings from the other condominiums, and had planned to vote on proceeding with the most popular, so that the work could be done this fall. However, since we had to postpone the annual meeting until now, we did take an owner ballot vote, and the project was approved by over 50% of the units, as required by our by-laws. The state of our finances are in excellent shape. As of November, we have 635K in our Capital Replacement Account. We will have even more at the end of 2020. This is the largest amount we've ever had, according to Lacy. Interlude is in a comfortable position to complete the deck project and there is no need for an assessment or borrow money for it. Lacy states that we do have a line of credit of 250K with Alpine Bank, but we will not have to use it.

Managers report:

Jami Downs welcomes attendants to the meeting. She begins by explaining Interlude's transition to Laurelwood Unit Services. Laurelwood has always been in-house managed, although they contracted specific services from outside management companies such as Destination Residences & Hyatt. They have always had two associations, LUSA is a non-profit rental program. Before the transition, Hyatt had decided to increase the fees to LUSA by 35%. This is one of the main reasons that LUSA decided to break away from Hyatt. Laurelwood & Interlude have a long-standing relationship which has worked very well over the years. After several discussions with the Interlude board, Interlude has decided to join the LUSA. This decision was largely based on the need to no longer be managed by a large corporation and had to do with Skip, as it was important to the board to retain his services and loyalty to Interlude. Essentially, there is no change to the big picture of daily operations. The changes will only be seen on the backside. Hyatt is a for profit company, while LUSA is not. LUSA will technically have Skip as an employee, in essence the Interlude will "own" and fund Skip's salary. He will continue doing his daily tasks as normal and LUSA will not be billing hours to Interlude, meaning the HOA will in turn save money. LUSA has created an arrangement in which any Interlude owner can schedule Skip to do projects whether they are in the rental of LUSA or not, as his pay rate is now billed through the HOA. Because LUSA is a non-profit, the money saved goes directly into the Interlude HOA budget. This is a win, win situation as it in turn decreases HOA dues.

LUSA is now partnering with Timberline Condominiums and sharing services. This means the HOA will receive accounting help, although Hyatt has been slow to give the Interlude books to LUSA, but their team will assist once they have the access they need.

Skip has completed the sanding of the balconies for buildings B & C, with four more units remaining in building A. Stonework in the entrances has been completed as well. Due to COVID-19, Skip has taken extra measures to ensure the property is operating safely. Hand sanitizer stations have been set up around the property, extra cleanings are taking place daily for the property as well as the common areas (i.e. hot tubs).

Lacy Boggess explains the boards reasoning for moving to LUSA, reiterating Jami's points above. He states that the board spent a long time deciding on this and they feel that they made the best decision for all. He asks if any owners have any questions regarding the above changes.

Etkin Camoglu of Interlude 306 asks what LUSA can do to streamline rules & regulations for rental units. Jami responds that it is the individual management company's job to follow these rules, as not all rental units rent through LUSA. Every owner should have these, if not, Jami will send them out to anyone who needs them.

Bill Burwell of IN109 inquires if LUSA board has ability to tell Interlude board what to do and when to do it. The answer is no. These two boards are completely separate entities. Burwell states that he would like to see the specifics of this change in management. He is happy that Interlude is no longer Hyatt managed, but he is interested in the details of the new contract in terms of legality, and wonders how the association is protected in the case of gross misconduct. Boggess explains that there is no difference between LUSA's arrangement with Interlude as it was with Hyatt. When breaking it all down, the biggest change is that we have gone from a for-profit, large corporation management company to a small, local-feel company that can work best with our individual needs.

Lacy Boggess circles back to the election of the board members. The board needs affirmation from owners to accept Judi Lohr's new position. Carol Swanick makes the motion to affirm. Jerrilynn Kline seconded the motion. All in favor, Judi Lohr was elected unanimously. Lacy Boggess reminds the owners that there are three board members that each have three-year terms. This year is Ernie Boone's third year term and Lacy Boggess would like to recommend him to stay on the board for another three years. He has been critical to the board and gives a constructional and medical background to our decision making process, which has proved to be most helpful in Interlude's dealings overtime. The floor was opened to nomination. Henrique Jordan has nominated Boone to stay on, and David McGrath has seconded. All in favor; Ernie Boone has been unanimously affirmed to stay on the Interlude board.

Board begins discussing the major project at hand once again. Lacy Boggess explains that for years Interlude has been below code in terms of the walkways and decks. Now is the time to do something to keep Interlude looking its best and to stay competitive, as well as provide a long overdue safety aspect. With a huge help from Skip & David McGrath last year all decks and railings were inspected and measured. In August of 2019, the board spent a lot of time looking at the recently re-done decks & railings at Stonebridge Inn. All board members favored this design in terms of color, height, and design. They then received a proposal and bid that encompassed the whole project. Proposal was supposed to be approved in August. A remote meeting was held, but it was decided that there were too many questions from the owners. To go forth with the decision, the board only needed over 50% of owner approval, which they received, but decided to better inform owners of this project at the annual meeting as to acknowledge any unanswered questions or concerns.

Jami shares her screen with all attendants, showing a mock-up the architect came up with for the railings. Boggess states that it is 300K for the railings shown on the screen. Skip was able to talk the price down by 50K. For an older building like Interlude, the average capital reserve amount needed for a project such as this is 400K. Interlude is in the 600K range, meaning Interlude is not in any kind of financial distress. In fact, Interlude is in the best possible position to begin a project like this. Skip has already begun the flooring on the decks. Ernie states that Skip has found a way to compress the metal so that the balconies will not warp and will remain smooth. He will continue to work using this method for the entryways and all the balconies. Boggess then asks the owners to vote on the fencing on the decks.

Ron Tucker of Interlude 208 & 206 worries that this design throughout Interlude would affect the "language" of the Interlude. He is not sure he likes it. Skip reminds owners that the top floor units in

buildings B & C are three stories, so there are different height requirements of 42". This requirement ensures the safety of the railings but may slightly affect the view on the decks. Bill Burwell states that when you are sitting down, 42" is eye height. He states that owners will need to replace their furniture to still have a view. Burwell also reminds the board and owners that the Interlude railings have a Grandfather Clause, meaning that the town cannot sue Interlude for not making this change. He worries that if we make one change, then we will have to be up to code on all on property issues. Skip states that the private balconies in buildings B & C can remain 36", but because building A is four stories, it is likely the three top floor units would need 42" tall railings. Jerrilynn Kline of Interlude 301 states that she realizes her unit will be one of the units affected by this, but she is still in favor of the change as it is a huge safety concern of hers. She states that her railings feel loose and wiggly and that she does not feel safe when her Grandchildren come to visit, as well as when guests come to stay with their children.

Lacy Boggess asks the owners if they want to ignore being up to code and take a chance on safety? Or he asks, do they want to be ahead of the game and act now, while also enhancing the look of the property? Etkin Camoglu asks how the whole project will be paid for. Boggess explains that they are breaking this project into separate pieces. The other half of the project is 600K. We do not have to complete that project quite yet. We can do the external work and continue to increase capital reserve, then we will proceed with second project once we are in a comfortable financial range again.

Ernie Boone reminds owners that the current top rail of the balconies is 2" x 8". The new railings would be two one-inch pieces. Right now, the railings are blocking the view more so than this new project would. David McGrath adds that his relative owns at Top of the Village. They updated their railings were updated at a discounted price using cheap material. Because of this, there is now additional maintenance costs associated with them. The railings that are being considered by Interlude board are steel which holds up well overtime. McGrath reminds owners that the board has done extensive research and put a lot of time & energy into this proposal.

Collectively, owners at the meeting agree that they would like to move forward with the project to ensure Interlude is up to code, however they would like to see more design examples from different architects before deciding. Ron Tucker states that he loves the building and wants to see the railing project executed perfectly. He would like the board to delay vote till the next meeting. The Interlude board agrees to get new designs drawn up for owners to see before deciding.

Lacy Boggess asks if there are any other issues the owners would like to bring up. Etkin Camoglu states that the Interlude rules & regulations was last updated in 2017. She would like to see them updated again, as she feels there have been issues with tenants and owners not following these rules. Boggess states that they will update the rules & regulations, specifically adding a time frame for when construction can be done and cannot be done to units. With this, he states that penalties will be involved for owners who violate these added rules, because currently, there is no verbiage that includes a penalty. Boggess also mentions that there was an owner inquiring about permitting renters to have dogs instead of just owners. Lacy asks the owners their stance on this. Unanimously, all owners agree to keep current restrictions in place.

There is a motion to conclude the meeting by Bill Burwell. Judi Lohr seconded the motion. All in favor.