



**WILLOWS AT VAIL CONDOMINIUM OWNERS ASSOCIATION
ANNUAL MEETING
SATURDAY, SEPTEMBER 10, 2016**

Minutes

The meeting was called to order at 9 AM.

Roll Call and Introductions. Present: Steve Campbell, Jaime and Pat Yraostroza, David and Wanda Yrastorza, Steve, Annie, and Ruth Lebeau, Curt Freed, Francesca Hetfield, Mike Foster, John Connell, Tim Hargreaves, Franco and Margaret Cibebe, Rod and Terri Nowadzky. On the phone Blaine Peck. Represented by proxy: Caroline Kelly O'Farril, Tracy Tally, Tim and Carrie Stanny, John Pinto, Carl Thoma, Steve Landwehr

Proof of Notice of Annual Meeting. Notice of the meeting was sent electronically on August 17, 2016.

Quorum of Owners and Proxies (20% of the total voting power of all owners from each class [4 votes]). A quorum of owners was established.

Stairwell Project Presentation: Mike Foster (Triumph Development) representing the Hetfields (205) and Pecks (305) presented an application by the owners of those units to incorporate the south stairwell which currently serves as an egress into their units. Mike explained that in 2015 building codes changed which allowed the possibility of this space to be captured as residential square footage for the abutting units 106, 205 and 305. To facilitate the project the current hydrant pipes located in the space would need to be removed as well as the staircase. Additionally, floors would need to be added for 205 and 305. There are also a number of requirements from the Town of Vail to accomplish this, including an amendment to the original Special Development District. The remodel envisages the removal of the existing stairwell window and replacement with two new windows. Mike has received a range of costs but anticipates expenditures (not including internal fit and finish) in the region of \$230,000.

This stairwell is classed as Limited Common Element and as such is the property of the HOA. The main question regarding the proposal appears to be quantifying the fair market value (FMV) of the space given there are only limited alternative uses. The only potential buyers of the space to be potentially converted are likely to be the abutting unit owners.

John Connell made a presentation that considered that FMV could be calculated by taking the price per square foot of the latest sales and reducing it by the anticipated cost of the remodel and then further discounting that price to allow for the limited marketability. He suggested a discount of 50% might be appropriate but that this number could be negotiated. John told the meeting that once the project got Town of Vail approval it would come back to the owners for a vote and that it would require a 67% vote for approval.

Mike Foster followed John's comments by stating that the owners would like to move forward with the project and target a construction parameter of April 16 - June 1 for completion of all exterior work to minimize the impact on the building operations.

John asked the meeting if anyone disagreed with the redevelopment in principle. The owners present expressed no reservations about the redevelopment with the exception of establishing the FMV. It was suggested that an MAI Appraiser would likely be the next best step in this process.

A motion was made to 1. Permit the board to conduct negotiations on behalf of the owners 2. To contract an MAI Appraiser 3. To then present options to buyers. The motion was made by Franco Cibebe, and seconded by Jaime Yrastrosa, and passed unanimously.

Report from General Manager. Tim made the following report. Building painting will be starting next week with power washing. With good weather, the contractors hope to be complete by the end of September. Roof repairs/other leaks: The Willows is working with a new roof repair company. They are reporting that the roof is in good shape generally. The cost to replace the whole roof is anticipated to be well over \$200,000. Problem area exists where limited sunshine hits the roof, particularly by the chimney stack on the west of the building. This has led to leaks into 303 every spring. The leaks only occur with melting snow that force a way in through damage caused by ice dams. The roofing company, undertook significant repairs and will monitor the roof this winter and make recommendations on problem areas which may include the addition of heat tape. The occasionally problematic garage door has been working well recently. If we have further failures there is an option to replace the current rolling door with a residential style door. This set up would be significantly cheaper and could be a better long-term option.

Budget Approval (Budget does not need a vote but a majority of owners can vote to reject the budget). Tim presented the proposed budget for 2017 which does not include an increase in dues from 2016. Tim proposed that \$25,000 be reclassified to reserves this year and that next year it may be possible to re-categorize a further sum, with a goal to increasing the reserve account to over \$200,000. There were no objections to the budget as presented.

There was no old or unfinished business.

There was no new business.

Election of Officers. There was no objection to the continuation of the current officers of the HOA board to an additional term.

A motion to adjourn was made and passed at 10:50 AM.