

I. Snowbridge Square Redevelopment Feasibility Study –Discussion & Presentation by Stonefield Development Consultants Prior to Annual Meeting Sept 1, 2007

Paul Mulae explained that the purpose of this project was to evaluate the feasibility of razing the existing Snowbridge Square Condominiums and replacing the eighteen condominiums and roughly 24,000 square feet of retail space. In addition, the Feasibility Study will examine alternatives and incentives for adding eighteen more condominiums and some increment of retail space.

The Study will provide three different scenarios:

1. Breakeven Scenario – This scenario will determine the minimum number of new units required for homeowners to replace their unit and recover all soft costs (architectural, engineering, legal, and sales and marketing fees) without any new expenses to the homeowners.
2. Small profit scenario – This scenario will determine the number of new units required for the homeowners to replace their unit, recover all soft costs and place a small profit in reserves.
3. Maximum Profit Scenario – This scenario will determine the maximum number of units that can be placed on the Snowbridge Square property within the confines of required building setbacks and height and mass restrictions of the Copper Mountain PUD.

Paul Mulae said remodeling and updating Snowbridge Square would be extremely expensive and would require a big assessment. He said another Association he belongs to is going through a remodel right now. The building is in much better shape than Snowbridge and remodeling costs were estimated at over \$1 million which resulted in a large Special Assessment. He said even though Snowbridge Square could be remodeled at a high cost, it would still be the same old building. He believes Snowbridge Square is an Association with one of the lowest amounts of square footage but highest Association dues at Copper Mountain. He recommended tearing down the building and rebuilding with more units. He estimated units could be pre-sold for about \$500,000 per unit.

This project has been discussed with the County Planning Commissioner and concepts have been discussed with a developer. Paul Mulae was confident that permission would be granted to transfer density or to purchase density from the County for roughly \$40,330 per unit. He explained that adding employee units would be a creative way to add units and to facilitate County approval. The project would not start until all units were pre-sold.

John Theisen said a project like this would require 51% approval from the owners. He was hoping for 100% participation from homeowners. He said he would work with each homeowner who has a hardship to try to solve each individual case.

There was discussion about tearing down the underground parking and adding a third floor. The top floors would get the exact same floor plans and commercial spaces would be in the mall.

There was discussion about how the existing loans would be affected by a project like this, how loans would be paid back, how units would be pre-sold, and how market values would be established. There were many questions that still need to be researched. A representative from Stonefield Development Consultants explained that the Feasibility Study would examine different legal structures, assets of the Association and depreciation of the building. He said it was a matter of finding a legal structure with which the Association would feel comfortable.

The duration of this project is estimated at a minimum of one and a half years for the researching, financing, presales and rebuilding process. The owners would most likely lose two summers and one ski season. It was mentioned that the Planning Commissioner was very helpful and suggested how the Association might be able to get more density. Copper Mountain has an urgent need for a nursery, not only for employees but also for skiers.

The Stonefield Development Consultant explained that the cost for the Feasibility Study would be about \$30,000. The Study would include a proposal with realistic real estate market values, rebuilding costs, infrastructures, assessments of employee units, architectural consulting regarding the exterior design and materials used, and an appreciation strategy. At the end of each task there would be a summary report and a final consolidating report with all information. All electrical and transformers would be included in this Study.

A homeowner was concerned that there would be costs involved for relocating tenants because there are leases that have not yet expired. Another concern was raised about the loss of leasing and rental income during the rebuilding process. John Theisen said he was not in favor of converting the entire building into residential units. The Master Plan delineates some commercial space and he feels that should be preserved. The discussion continued about future development plans in the Chapel parking lot. John Theisen said the County Commissioner was encouraging all homeowners to attend the September 13th Planning Department meeting concerning the Amended PUD.

John Theisen said the Board was empowered to approve the Feasibility Study but he wanted to have input from the homeowners. He explained he would need to research how this project would meet CCIOA requirements. A final report should be provided no later than the end of November. The report would be generated in drafts prior to the final report. The bid of nearly \$30,000 was not a fixed bid. The consultant said he would only charge for the actual time spent and homeowners could submit questions. A homeowner thanked Paul Mulae for his time and effort invested in this project.