

CONDOMINIUM ASSOCIATION AND INDIVIDUAL UNIT BILLINGS

A common request from owners, even owners who have owned a condominium for many years and are considered knowledgeable, is for a description of the billings received and the distinctions between the management of the Association and the individual unit.

The Association assessment billings are generally mailed quarterly, to be paid in advance each period. This assessment is mandatory, by the Declaration of the Condominium. The amount is determined annually in advance by the Association Board of Directors when they adopt a budget for the year. This budget includes cost estimate for items such as:

- Common area maintenance and repairs
- Snow removal
- Common area utilities*
- Insurance for common areas
- Water and sanitation
- Cable TV
- Jacuzzi supplies**
- Firewood
- Landscaping
- Special improvement projects
- Reserves for major repairs and replacements

The expense items are described in the condominium declaration and bylaws and pertain to the property without regard to usage. The owners have these assessment expenses if they live in the condominium unit full time, or if they never use the unit, and if they rent or if they don't rent. Each owner's assessment is determined by the declaration, usually based on the share of common area ownership of each unit.

The Association assessments are for managing and maintaining all common elements of the condominium property, and do not include any expenses relating to the interior of the condominium unit. The owned unit space is defined in the condominium declaration also and expenses relating to the interior of the unit are the individual owner's responsibility.

* Snowmass Mtn. assessments include some utilities.

** Also pool supplies and costs of other common recreational amenities, where appropriate.

The Condominium Association assessments are to be paid in advance to enable the Association to pay utilities, maintenance labor, and other expenses in a timely manner.

Snowmass Hospitality Association Management Services include:

Administrative—Accounts receivable collection, budget preparation, financial review, contracts, insurance reviews, owner communications, legal, filing, correspondence with others, and meeting preparation and attendance

Accounting—Assessment billings, accounts receivable, accounts payable, payroll, bank deposits and reconciliation, posting, owner and other correspondence, data processing, and monthly financial statement preparation

Supervisory Services—Hiring and firing of employees, training at all levels, daily, weekly, and monthly scheduling, record-keeping, maintenance tasks, enforcing rules and regulations, security, subcontractors supervision, and 24 hour on-call emergencies.

Confusion sometimes occurs when the owner receives a monthly statement from Snowmass Hospitality Property Management for the management and maintenance of the individual unit, which is separate and apart from the Association management. In accordance with the individual agreement signed by the owner for the rental, which can be short term, long term, or owner use only, Snowmass Hospitality manages the unit. A monthly statement credits the owner for rental income during the months when there are rentals; charges include rental expense commissions, and other expenses such as utilities for the unit, monthly management fees, any owner check-in housekeeping charges, and repairs to the unit. None of these charges have anything to do with the common elements or management of the condominium Association.

The management fee for managing the individual unit is for marketing, reservations, housekeeping, guest services and supplies, desk check-in, telephone services, light maintenance, and security of the unit.

We hope that this explanation helps to clarify the two distinct segments of condominium unit ownership. If you have any questions, please let us know.

Sincerely,

SNOWMASS HOSPITALITY MANAGEMENT, INC.

