

Memo #4

From: Board of Directors

To: Owners at Snowmass Mountain Condominiums

Re: Flues/Firebox Project: Project Costs and Owner Assessment Schedule

Date: August 15, 2015

This memo outlines the costs of the Flues/Firebox Project and the schedule of Special Assessments to Owners.

The total estimated cost of the project is \$604,258, which includes S & S Construction's stipulated sum for the installation of flues and fireboxes of \$486,002 and an additional \$118,256, the bulk of which is made up by a 20% contingency but also includes insurance coverage for the HOA, the costs of our Owners Representative and costs for Snowmass Hospitality's support of the project above and beyond their management duties. The actual total cost of the project may be more or less than the \$604,258, depending upon unknown contingencies.

The Board discussed various payment schedules for the special assessment. As communicated earlier, the first installment of the special assessment for \$3,300 will be billed with the usual quarterly assessment in September. For the second installment of the special assessment, the Board debated the concerns of the seasonal nature of family budgets against the desire to manage cash flow and avoid the cost of a bridge loan. After some discussion, a majority of the Board was in favor of billing \$4,500 in December, along with the usual quarterly assessment. The final installment of the special assessment to be billed in March *is estimated to be* \$2,500, but could be less – or more – depending upon what contingency costs are encountered during the project.