

**PINE MEADOWS
HOMEOWNERS ASSOCIATION
Annual Meeting
Held via Teleconference
Thursday, December 15, 2011, 1:24 PM (Central Time)**

The Annual Meeting of the Pine Meadows Homeowners Association was held on Thursday, December 15, 2011 at 1:24 PM (central time) via teleconference.

Roll Call and Certification of Proxies

Present at the meeting were Richard Joyce, Karen Dunivan and Kerry Dunivan of Mountain Mansion Management.

Present via teleconference were: Dan Tishman, Dean Shriner, Scott Brown and Cindi Coester.

Present by proxy to Dan Tishman was Michael Coghlan.

Dan called the meeting to order. Richard announced that a quorum was present.

Approval of the Minutes from last year's Annual Meeting

Members approved the Minutes from the last Annual Meeting.

President's Report

Dan reported that the Board has met regularly. They have reviewed the Budget that they are presenting at today's meeting, and they believe it is well thought through. We are well on the way to achieving our capital reserve account, which was a major area of discussion two years ago. We thought we should be funding a reserve and not just living purely off of cash flow and assessments. We've built the capital reserve to a healthy number, but the Board has decided that it's prudent to continue building. It's not up yet to a level that we think is adequate to cover large budget issues that might occur in a year or any sort of major repairs, so he is going to encourage that they continue to fund the capital reserve and revisit that on an annual basis until we get to a level where we have consent that it is funded. At that point, we can budget for a static capital reserve as opposed to a growing one.

He also reported that they have evaluated a proposal from Mountain Mansion Management to enter into a long term contract. The Board members approved it at their last Board meeting. Richard was very competitive in his proposal.

The property looks in better shape than it ever has. We've come a long way in catching up on our deferred maintenance, especially staining and stuccoing. Thanks to Cindy and Richard, we have finally gotten on top of our landscaping issues. The entry looks better than it has ever looked, and now we have to keep it that way.

Richard asked for clarification regarding their contract proposal with Pine Meadows. He stated that they currently have a three year contract that calls for a 5% increase in 2012. In their proposal, they requested to waive the 5% increase and extend the contract by a year. Dan replied that the Board approved the proposal.

Profit and Loss Statement

Richard asked if there were any questions. Scott Brown asked for confirmation that they are putting \$39,000 into the capital reserve account and planning to do that again in 2012. Richard replied that was correct. The Board in their last meeting did not decide on a hard number, but the general target area was around \$200,000 to \$250,000 for the reserve fund. The Board will continue to weigh that and make a decision, but going forward for the next couple of years they are going to continue to fund it.

Balance Sheet

Richard asked if there were any questions. Scott asked about the \$3,400 that was involved in the claim for Unit 139 regarding the busted pipe. Is that showing up as a current liability? Is that paid by the insurance company, or paid by Unit 139? Karen replied that it is not. They had collected the check from the insurance company in 2010, with the exception of these last few invoices of \$3,472.98, which were not given to them until 2011. At the end of 2011, that will go away, because the entire insurance claim has been paid. It was just a timing issue.

Cindy Coaster asked if everyone is in good standing regarding payment of dues. Karen replied that everyone is paid through 2011.

Proposed 2012 Budget

Richard said that the Board has approved the proposed Budget, and they need membership to approve it at today's meeting.

Dan said that they are basically running a flat budget from 2011 to 2012. They have shifted some line items but essentially it is going to cost us about the same to operate the facility this year as it did last year, which is a credit to Richard, because we are beyond sort of the catch-up on the maintenance. However, he does feel that we are going to be in a cycle that once we get through with the current exterior maintenance it is going to be just about time to cycle back to where phase 1 was and start over again. Richard agreed. We have five buildings, and we are on a five year plan of re-staining. This year, it will be Units 136 and 138 that will be stained.

Richard said that there is no dues increase. The reserve funding remains at \$39,000, so it is a flat budget.

Dean made a motion to approve the Proposed 2012 Budget and Cindy seconded the motion. The motion was passed unanimously.

Old Business

Richard said that last year we stained Building #4. We've had some issues with the hot tub, which they think have finally been resolved. A hot tub pump motor is supposed to be delivered today and installed. He will keep everyone abreast of that if they run into a major issue. As Dan had mentioned, the landscaping for the entryway has been done. We added some cobblestone and landscape fabric between Units 134 and Unit 136 where everybody uses that area to get to the ski slopes. We had some erosion issues there, so that should mitigate that. We had the usual routine maintenance things, such as fascia stone that had to be replaced. Kerry took on the project of upgrading and improving the stair path lighting. Richard reported that it looks great and should work great. We shouldn't have the problem of people using them as handles anymore. Richard said that he has walked it at night and thinks the visibility is pretty good.

Scott mentioned that there were two dead aspen trees right above Unit 139 that were quite concerning, but he believes that they have been taken out. He was wondering who paid to have them removed. Richard said that Telski had them removed, because it is kind of a right of way for them. Chris Laukemann got involved and was very helpful in moving it forward. Richard said that he will look the next time he is there to make sure there aren't any new issues.

Richard stated that the roofs are all in good shape. They've replaced a few hundred tiles, which is normal, and they will do that every year.

They ran out of time, but next spring they will get the stucco patches that, quite frankly, don't look up to the standard of the building repaired.

Dean asked if the patches are just going to be repainted or re-stuccoed and then repainted. Richard said that it was his understanding that since the texture isn't exactly right, they are going to be redone. Dean asked if that meant in patches or the whole panel. Richard said patches where they can. This is a budgetary concern. The whole panel would be ideal, but we have \$7,000 to do the interior like the courtside of where the existing patches are. In answer to a question, Karen said that the bid is for patches. Dean is concerned that they are going to have the same problem. The first time the people who did the work were supposed to be good but they turned out not to be so good. Richard said that the person we have the bid from now has been around Telluride for quite a while and does very good work. Karen read part of the bid that said that they would fix the Textron patches and then match the existing stucco and then recoat the entire wall corner to corner.

Dan suggested that they have the stucco guy do one as early as he can in the spring and then let it sit a few weeks and just see if they're happy with what it looks like rather than having him do everything and then decide we don't like it. Richard will have it done that way.

Dean said that since that is just a bid for the interior walls, how much exterior wall damage is there that would need to be repaired. Richard said they have broken it out into subprojects to get the worst and what's viewable from the courtyard side and the entrances when coming and

going and then tackle the outside. Dean asked if that meant it would be another year before we tackle the outside, and Richard said that at the present time, that is what they are looking at, but it is subject to change. Richard said that it is important to note that as far as weather proofing, we don't have any holes in the stucco and things of that nature that would let water migrate into the building, so it strictly an aesthetic thing at this point. If new cracks develop between now and next summer, then Dean would like to get them fixed right away.

Dan asked Richard if there are any issues that he has heard of regarding Telski's desire to change some active open space issues that might impact Pine Meadows' ski side access, and secondly regarding the Town of Mountain Village and their struggle with desperate budgeting issues, if their dramatic cutbacks have resulted in a suffering of services that we have come to expect. Richard replied that even though it doesn't affect Pine Meadows directly, the Town has gotten out of the trash business. As far as road maintenance and plowing, etc., they are keeping on top of that, and he thinks it is their intention to do so. They have cut back their staff by quite a bit and have had resignations by department heads that have moved on to other communities where they feel a little safer. Richard is not aware of any outstanding issues with Telski that would impact Pine Meadows, but Chris would be the definitive source to give us the answer on that.

Scott Brown said that he served on the committee with Chris and that they have made quite a few changes from the original proposal that was put forward by the Task Force. To be candid, he never really saw or took the time to read the detail, but it appeared that they were going forward with the rezoning where the Magic Carpet is to be a recreation center for a hotel. The issue that Chris and he really fought hard about is the one that he hasn't really seen the detail on and that was whether or not they could do anything other than just put tennis courts and a new pro shop kind of down below us versus an entire hotel with access down Vischer. He is actually going to go up there this Sunday, so he may swing by and get the report. It is probably out on the Town of Mountain Village website. They were supposed to send him a hard copy and he was waiting to see that, but they probably sent it to his old address, so he will look into that while he is up there next week.

Election of Officers

Dan asked Richard if ballots were sent out. Richard said that he did not send ballots out, because there has been zero response in prior years for volunteers.

Dan said that he has loved serving as President, but he thinks it is time for him to move on. He would be perfectly happy to stay on the Board, but he would like to see someone else step up and serve as President. Dan's unit is for sale, because they have finished their property in town, but he wouldn't mind continuing to serve on the Board as long as he is an owner in Pine Meadows.

The members present at the meeting thought that it would be important to include all of the Board members in the discussion, so they agreed to talk after the holidays. Dan said that Chris expressed some interest in being President and Dean said that he would do it as a last resort.

Dan suggested that they approve the current Board to remain as is but make a note that officers may change and authorize the Board to appoint officers as it deems appropriate. Richard said that would satisfy the CC&Rs, but they will double check that.

Scott made a motion to accept the current Board for 2012 and everyone was in agreement.

There being no further business to come before the meeting, the meeting was adjourned.

Respectfully submitted,
