

**More's Corner Homeowners Association (MCHA)
Minutes for the 2014 Annual HOA Meeting
Thursday, September 25th, 2014
2096 Indian Summer Drive**

Call to Order

The 2014 annual meeting of More's Corner Homeowners Association was held on Thursday, September 25th, at the Porches Barn in Steamboat Springs, Colorado. The meeting was called to order at 11:00 a.m. by Mr. Shugart, the president of the association.

Roll Call

Roll call was taken, and the following members of the Board of Directors were present:

Bruce Shugart – President
Domenick Galluzzo (2053) – Secretary/Treasurer

The following MCHA members were present via teleconference:

Andrew DeSalvo (1329)
John Morrison (1329)
Brad Thedinger (1288)
Royce Thedinger (1288)

The following MCHA members were present:

Domenick Galluzzo (2053)
Joann Galluzzo (2053)
Michael Becci (2117)
Lee Futcher (1985)
Dave Futcher (1983)

The following MCHA members designated proxies:

Ken Mourton (1301) – presiding officer
Robert & Rossell Kelley (1301) – presiding officer
Terry & Judi Wilcox (1329) – presiding officer
Paul & Anne-Marie Laws (1331) – presiding officer
Andy & Molly Goldberg (1997) – presiding officer
Donna Triptow & Michael Salsbury (1999) – Domenick Galluzzo
Tim & Nancy Scannell (2041) – presiding officer

The following member of Pinnacle Resort Management was present:

Emilie Crider – General Manager

Review of the Minutes for the 2013 Meeting

Mr. Shugart stated that the first order of business was to approve the annual meeting minutes from last year's HOA meeting. Mr. Lee Futcher made a motion to approve the 2013 minutes, and Mr. Becci seconded this motion. The minutes for the 2013 meeting were approved by a unanimous vote.

Initial Comments

Mr. Shugart explained that Pinnacle commissioned a general reserve study and will now go back and look at specific replacement costs and the estimated life of expenditures to give a better understanding of how the reserve needs to be funded. The goal is to have the results of this study by early December to send out to owners. A reserve study of the internal expenditures for the club units is being done as well.

The October 2nd 2013 board meeting brought up the issue of late fee percentages. The late fee has been reduced from 18% to 12%, it was agreed upon by the board that 18% was a punishment while 12% was an incentive to pay on time. The board also discussed having a designated pet friendly unit for the club, 1315 was chosen as that designated unit. The management company will continue to look into storage options for club owners' belongings.

Steamboat has switched to digital cable, now boxes are required in every room with cable access and can be added at a nominal fee. Internet was added to the bulk contract which was a cost saving decision for all owners.

There has been a request from some owners for new shuttle signs, road markers, and house numbers. Mr. Shugart said that due to city constraints some of our road markers will need to remain the same. The main concern expressed by owners during the meeting was visibility of the house numbers. Mr. Shugart suggested that we review other options.

Review of the June 2014 Financials

Ms. Crider addressed the memorandum at the top of the June 2014 Financials section which highlighted the more important budget items. Mr. Lee Futcher asked about the possibility of barn taxes being rescinded from 2012 as that \$11,000 will impact the budget. Mr. Shugart stated that he has been to the state court in Denver about these taxes and the change of The Porches' classification from common area to commercial. Mr. Galluzzo suggested approaching the town attorney in Steamboat to clarify the definition of commercial. Mr. DeSalvo inquired after the zoning of The Porches as he believed that having mixed zones versus a single zone could affect our case. Ms. Crider asked if there were any other questions on the June 2014 financials, the group agreed to move on.

2015 Budget

Ms. Crider again referred to the memorandum at the top of the proposed 2015 budget; the memorandum highlights any significant increases and decreases in the budget. Mr. Shugart addressed Pinnacle's efforts to continually cut costs by cross training employees. Mr. DeSalvo inquired about the subsidy payments made by the developer and where those payments are reflected in the budget. Mr. Shugart explained that developer subsidies are not reflected on the budget but that the subsidy payments are in the mid-300s. Mr. Becci clarified that of the \$1.3 million in revenues that the developer is subsidizing 25%, Mr. Shugart and Ms. Crider both agreed that was correct. Ms. Crider explained that she bills the developer in June and December each year to pay the difference between operating expenses and owner contributions. Mr. DeSalvo and Mr. Morrison expressed the concern that by not reflecting developer contributions on the budget and then increasing dues it begs the question of why dues are increasing. Ms. Crider suggested leaving the developer's bill on the profits and losses statement so that owners can see the deficit prior to the developer subsidy.

Ms. Crider stated that Pinnacle is striving to reach a balanced budget, in doing so some line items were removed from the budget as they are not expenses that occur every year.

Mr. Dave Futcher clarified that the developer is billed quarterly for HOA dues for the homes and lots that he owns. Ms. Crider confirmed that he is, she then asked if there were any other questions. Mr. Becci made a motion to approve the 2015 budget, Mrs. Galluzzo seconded the motion. The 2015 budget was approved by a

unanimous vote.

New Business

Ms. Crider opened with the discussion of the analysis of club airport shuttle costs. The analysis showed that by switching from private to shared rides the cost will be cut from \$20,000 to \$7,000. The airport shuttle budget is currently set at \$30,000. By reducing the cost of the airport shuttle the club budget can get closer to the whole owner budget.

The next topic brought up was owner parties which are currently budgeted at \$14,400. Mr. Crider has heard feedback from several owners suggesting that the number of parties be decreased. Owner parties are currently held once a week during peak times. Mr. Lee Fatcher asked how many parties are held each year. Ms. Crider estimated around 40 parties are held each year, she also stated that the turnouts of these parties fluctuate depending on the week. Mrs. Thedinger stated the food served at the parties seems elaborate and suggested that fewer food offerings or less expensive offerings could provide a cost savings. Mr. Shugart agreed to look at target dates to plan the parties.

The tree lights around the property are a significant budget expense, many owners in attendance at the meeting agreed that the lights are beautiful and add to the value for guests staying at The Porches. Ms. Crider pointed out that the lights now run on a timer rather than being on all night as a way to cut costs and electricity usage.

The budget for the Barn guest supplies is \$10,000, this budget has decreased in recent years as Pinnacle has found ways to cut costs by buying in bulk and shopping online for the best price. Newspaper delivery is an expense included in the guest supplies budget. Some owners have expressed concern over the necessity of delivering papers to every occupied home. Ms. Crider agreed to look into getting online accounts for guest and owner use rather than ordering papers. Mr. Fatcher brought up the idea of having vendor boxes at the Barn so that guests interested in reading the paper could come over and purchase their papers. Mr. Morrison objected to the suggestion of getting rid of the papers. Mr. DeSalvo would like an owner survey conducted regarding the airport shuttles and newspapers. Ms. Crider will work on getting a survey out to owners to get feedback on these issues.

Ms. Crider has received comments that cutting the Barn hours of operations may save costs. It was ultimately decided that cutting hours of operation would limit our services and amenities provided to guests and would not cut costs enough to be beneficial. The off season hours of operation were extended from 8-6 to 8-8 as guests showed frustration at not being able to grill or use the pool after 6 p.m.

Mr. DeSalvo will be joining the board in an advisory capacity for the club, he has a great background and has been in the real estate industry for 35 years. His position is currently slated to last 12 months.

Mrs. Faulkner wrote an email to Ms. Crider asking that the issue of the job-site trailer be brought up at the meeting. Mrs. Faulkner is advocating that trailer be removed as it is an eye sore on the property, Mr. Becci and Mr. Shugart both agree. Mr. Shugart pointed out that the trailer is also used to house equipment that Pinnacle uses to keep up the property. The city has given him approval to landscape around the trailer in an effort to make it look less unsightly. Mr. Shugart addressed the money that has been spent on the lot next to 2002. The Morraine's property is pushing water onto that lot and Mr. Shugart funded the project to re-grate the damaged area.

As a final topic, Mrs. Galluzzo brought up the damage that is seen on the decks and the amount of maintenance that goes into the upkeep of the decks every summer. She asked if there are alternatives to having wood decks

that would look as nice. Ms. Crider stated that they have looked into other avenues but have not found an ideal alternative to date as plastic is too slick and could be a hazard for those wearing ski boots. Trex decking has also been considered. Mrs. Galluzzo also expressed concerns about the beauty of the property being lessened by the drastic growth of the landscaping around the homes. The trees have grown significantly in the last ten years and she is worried about the damage they could cause during a storm if one were to fall. Ms. Crider assured the group that the landscaping crew would be drastically cutting back the over growth in the fall.

Adjournment

With no further comments or questions being offered, Mr. Shugart adjourned the 2014 annual meeting of the More's Corner Homeowners Association at 12:40 p.m.

DIRECTORS:

Bruce Shugart, President

Shane Evans, Vice President

Domenick Galluzzo, Secretary/Treasurer