

**More's Corner Board of Directors Meeting
September 23, 2016
1223 All Seasons Court**

Call to Order

A meeting of the Board of Directors of the More's Corner Homeowners Association was held on Wednesday, September 23, 2016. Bruce Shugart, President, called the meeting to order at 8:02 a.m.

Roll Call

The following Board Members were present in person:

Bruce Shugart – President
Robert Boglioli – Secretary/Treasurer

The following Board Member was present via telephone:

Shane Evans – Vice President
Andrew DeSalvo- Fractional Representative

The following Pinnacle Resort Management representative was present in person:

Emilie Crider – General Manager

Reserve Study Review with Kevin Gillman

Mr. Gillman started his review with the two funds that the original study thought were necessary for the reserve accounts he added a third account so that there is one for the Townhomes specifically, the Barn and Common Area (Lot) and the Private Residence Club (PRC) for all interior items. Kevin also went through the original study to allow for the span of time that the buildings were built as all roofs will not need to be replaced in the same time.

Mr. Gillman also went through and made all exteriors to be part of the Townhome reserve budget rather than leaving the 6 PRC units on the PRC reserve budget. Mr. Gilman also put the windows in the PRC budget for any incidents that one is damaged and would need to be replaced. He did not think windows would need to be on the Townhome budget.

Mr. Gillman removed the garage doors, and HVAC units from the study as those would be worn out based on usage. Repairs to those items will be at the expense of the owner.

For cash flow Mr. Gilman is using 2% inflation. He anticipates that the PRC budget should increase by 5% a year and the Lot and Townhome would increase by 3% a year. Mr. DeSalvo asked why the PRC was higher than the others and Mr. Gilman pointed out by increasing by 5% it keeps the PRC budget in the positive for the majority of the 10 year study.

Mr. Gillman pointed out that presently there are items such as staining that are in the operating budget, by doing this regularly it will allow for the project to stay painted throughout its life rather than having one year that all homes are stained.

Mr. Gillman presented an investment policy for the Board to review. He stated that nonprofits typically want to have their funds in safer investments. This policy will give direction to the management company on how they want their money managed.

The Board didn't have any questions at this time. Mr. Gillman will be at the annual meeting to review the Reserve Study with homeowners.

Review 2015 Board and Annual Meeting Minutes

Ms. Crider asked if there were any questions about the meeting minutes. The Board did not have any items they wanted to review.

Review 2015 Task List

Ms. Crider went through the task list as presented. The Board thought that since Sherri's Sweers letter was sent out in February and no one has asked for further action there would not be a need of a White Paper at this time on the Motion that Mr. Morrison presented in 2015. Mr. Shugart gave an update on the street lighting options and talking to the city the only real viable option is to have commercial street lights. At this time The Board did not seem interested in pursuing that option. Mr. Boglioli stated that he would not like to have street lights at The Porches. In the event people did want additional lighting perhaps we look at leaving the holiday lights up year round or something that is less intrusive like that. Ms. Crider will follow up with the Rental Committee to see if they have anything they would like to bring forward at the Annual Meeting.

Review 2015 Survey Results

Ms. Crider reviewed the results from the 2015 survey, these will be distributed with the annual packet. The Board decided to make a couple of changes with the results. Going forward there will be less owner parties. However with increased occupancy the cost might not be reduced but will hopefully not increase. For the 2016/2017 winter season less trees will be decorated however with the continued growth of the trees the cost will most likely not decrease. Going forward sodas will be discontinued in the barn. Ms. Crider reported the findings on the Wall Street Journal, it is a cost of 85 cents per day with a minimum of 10 papers per day. After some debate with the findings from the survey The Board decided to go to just the Steamboat Today and the USA Today going forward. Ms. Crider was instructed to see if it was possible to get one or two Wall Street Journal's for the barn for guests to come read. The final item on the survey was about the airport shuttle for the fractional homes. The majority of PRC votes came back wanting owners to pay for the service as they use it rather than to have it included in the HOA dues. Going forward in 2017 there will no longer be airport shuttles in the budget.

Review 2015 Financials and Reserve Fund Expenditures

Ms. Crider pointed out that instead of doing a memorandum for the larger variances in the financials she made a note on the document. The Board agreed this made it easier to address the variances without having to flip between multiple documents. Mr. DeSalvo asked about the housekeeping line item. Ms. Crider explained that each year the fractionals are used differently. In 2015 there was less usage by the owners than there had been previously. This could be due in part to the resale's on the market and those owners not using their weeks. Mr. DeSalvo asked what portion of the fractional owners used their 6 weeks. Ms. Crider guessed approximately 75% of the present owners used their weeks in one way or another putting them in the rental pool, the Registry Collection, giving them to friends or family or using them.

Ms. Crider reviewed the 2015 proposed Reserve Expenditures. Mr. DeSalvo asked if these numbers reflect any of the furniture being sold on the remodels. Ms. Crider said this amount does not reflect those funds. Mr. DeSalvo asked why three homes were not done as reviewed in in 2015, Ms. Crider stated that three homes were more than the team could handle so they are being done in twos instead. Mr. Shugart made a motion to approve the 2015 Reserve Expenditures as presented. Mr. Boglioli seconded the motion. It was passed unanimously.

Review 2016 Financials January to June and Reserve Fund Expenditures

The Board moved on to review the Balance Sheet for 2016. Mr. DeSalvo asked why there was \$120,000 in receivables, Ms. Crider said that was due to timing. Ms. Crider stated that there are only a couple of owners delinquent in their dues and it is a very small amount.

The Board reviewed the 2016 expenditures through June. Mr. DeSalvo asked about the furniture replacement cost under barn expenses. Ms. Crider stated that she wanted the Board to consider putting some funds in annually for the smaller items at the barn. The Board decided they would rather those items be taken from the reserve funds and not to add funds back to the budget at this time.

Ms. Crider stated that in the annual budget there is \$20,000 built in for roof repairs. She wanted to know if The Board would prefer to use those funds or the reserve funds. Mr. DeSalvo stated that if we are taking money out of the reserves for roof leaks it could at some point impact the budgeted reserve amount for the roof replacement. The Board decided to take these funds from the reserve funds at this time. Mr. Boglioli suggested adding some money to the reserve funds for this annual cost so the money is budgeted for in the event it is needed.

Mr. Boglioli made a motion to approve the 2016 January- June Reserve Expenditures as presented. Mr. Evans seconded the motion. It was passed unanimously.

Review 2017 Budget

Ms. Crider started the review of the 2017 budget with the importance of retaining staff. As we have tried to retain more full time year round staff and attract return seasonal employees this cost has increased. Ms. Crider mentioned that she would like The Board to review doing mailings for the annual

meeting packets as it is a large expense. The Board would like her to look into making that change so more can be done electronically. The Management Fee increased from 8.25% to 8.5% based on the management contract. This is the first increase since 2012.

Ms. Crider stated new shuttles will be delivered in December and there is a small portion of the Sienna built into this budget as it is used more frequently as a shuttle. The fractional shuttle has been removed in the proposed 2017 Budget. With the airport shuttle being removed the fractional owners will be at nearly 100% of their annual dues so this would be the last year for their mandatory 4.25% dues increase.

Mr. Boglioli made a motion to approve the 2017 Budget as presented. Mr. Shugart seconded the motion. It was passed unanimously.

New Business-

Developer Turning Association over to Homeowners

Ms. Crider stated that at the annual meeting the Declarant will be turning over the association to the homeowners as is necessary in our governing documents as well as CIOAA. The documents state that the Declarant must turn over the association two years after the Declarants last conveyance of a Townhome in the ordinary course of business. With that said at the annual meeting we will be holding elections for a new board that is elected by the homeowners. With the declarant turning over the association he no longer has the right to decide to subsidize the budget. Ms. Crider is working with the HOA attorney to get better clarification on this matter.

Sixty days after the annual meeting the Declarant will hand over all of the original documents and other items that are needed to run the association by the new board.

Mr. DeSalvo asked at what point a PRC owner would be able to be on the Board, Ms. Crider said this is laid out in the documents and she would get him specifics but she did not think it was at this point.

Dogs in long term rentals

Ms. Crider sent out a letter from Mr. Howell. Mr. Howell would like the Board to alter the Pet Rule to allow for renters of more than 180 to be able to have pets at the property. Ms. Crider presented the Pet Rules for the Association that has been in effect since 2004, it was altered in 2008 and again in 2014 in The Rules and Regulations. The details were sent out in the Board Meeting Packet. Mr. DeSalvo thought that the request was reasonable. Ms. Crider stated that it is not common for associations to allow pets. It is very hard for an association to enforce pet rules on renters as there is no contract between the renter and the association. Ms. Crider stated that for the Board to make any changes to the Rules and Regulations they have to send notice to the homeowners of that change 30 days prior to making it so regretfully today no change can be made. Ms. Crider will follow up with Mr. Howell as to what his options are to move his change forward.

Use of Optional Weeks

Mr. DeSalvo stated he would like the Optional Week for the Private Residence Club to be used by the owner as they wish rather than being a use it or lose it week. Mr. Shugart explained that the reason it was set up that way to begin with was to hopefully preserve space available time for owners that wanted to enjoy more time in Steamboat. If owners didn't use their Optional Week it went back into the pool for others to use. Most fractional properties sell less weeks such as eighths that are 4 weeks rather than our 6 weeks. Mr. Shugart didn't want the property to be a rental based property but wanted owners to be able to enjoy their time at the property. Ms. Crider stated that again this change to The Rules and Regulations would have to be sent out to the owners 30 days prior to making the change so today we cannot make the change. Mr. DeSalvo asked that Ms. Crider look into the option of changing the Optional Week rule in reference to only 1329 as it is the only Grand 5 bedroom home so there isn't any other they can stay in.

2013 Indian Summer Drive Deck Extension

The Board Reviewed the prepared plans for the small deck extension for 2013 Indian Summer Drive, after a short review it did not seem as it would impact the community. Mr. Evans made a motion to approve the Deck Extension as presented. Mr. Shugart seconded the motion. It was passed unanimously.

Bruce Shugart adjourned the meeting at 10:18 a.m.

DIRECTORS:

Bruce Shugart, President

Shane Evans, Vice President

Robert Boglioli, Secretary/Treasurer