

MINUTES

RIMFIRE LODGE ANNUAL HOMEOWNERS MEETING May 14, 2011

The meeting was called to order at 4:00 PM. Proof of notice was shown and a quorum was established. Bob Elwood, Director of Association Management, introduced himself as well as Board President, Bob Hall, and Property Manager, Kevin Wingfield. Seven owners were present in person and two on the telephone. Bob asked those present to introduce themselves. Some were long time owners and some new.

Bob then introduced Debbie Goodwin and Mary Willis, representing the new Linwood Library/Community Center. This multi-use facility is located at the main entrance to Snowshoe at the base of the mountain and was once Snowshoe's Welcome Center. They spoke briefly about the progress the facility has made since opening about a year ago, and about its broad range of programming and activities. They stressed the facility's need for broad-based community funding and requested support from the HOA when possible. Other HOA's have already lent support. A flier is attached to these minutes. All are welcome to stop by to see and utilize the facility.

The first official business was to elect the new Board. For the three available positions, the three candidates were the current Board members: Bob Hall, Tom Hartman, and J. F. Hodges. There were no new nominations from the floor, and the three candidates were re-elected by acclamation.

Bob Elwood then presented the following power point concerning the recent financials and the Board-adopted budget for the coming fiscal year.

FINANCIAL REPORT THROUGH APRIL 2011 (PRELIMINARY YEAR END SUBJECT TO AUDIT)

NET INCOME (EXCLUDING SPECIAL ASSESSMENT PROCEEDS) EXCEEDS BUDGET BY \$34,000

TOTAL INCOME (EXCLUDING SPECIAL ASSESSMENT PROCEEDS) EXCEEDS BUDGET BY \$2000

Late fee revenue over budget by \$3000
Special assessment interest income over budget by \$3000
Parking revenues below budget by \$3600

Special Assessment income at \$158,000

TOTAL EXPENSES BELOW BUDGET BY \$32,000

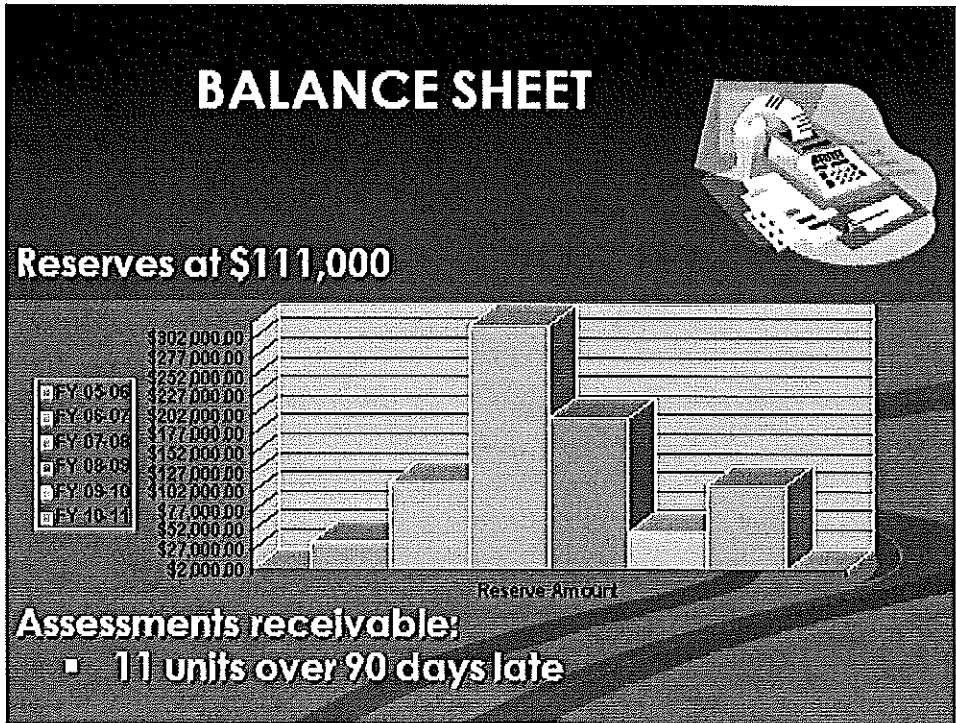
EXPENSES OVER BUDGET
Loan interest expense by \$11,000

Electricity by \$4800
 Bad debt expense by \$5200
 Garage repairs and maintenance by \$1800
 Hot tub expenses by \$5400
 Sprinkler water line damage by \$10,400
 Telephone service by \$1500

EXPENSES BELOW BUDGET

Alarm system monitoring & maintenance by \$4000
 Building maintenance (4 categories) by \$17,000
 Hardscaping by \$2500
 Landscaping by \$2500
 Legal by \$2000
 Miscellaneous & contingency by \$3500
 Snow removal by \$2000
 Carpet cleaning by \$4500 (part timing)
 Cleaning & janitorial by \$7700
 Elevator maintenance by \$4300
 Federal income tax by \$12,000
 Cable TV by \$1200
 Propane by \$6400

RESERVES AT \$111,000



ASSESSMENTS RECEIVABLE
 11 units over 90 days late

LOAN BALANCE AT \$162,000; PAYING DOWN AT ABOUT \$5000 MONTHLY; PAYOFF BY JULY, 2014

2011-2012 BUDGET

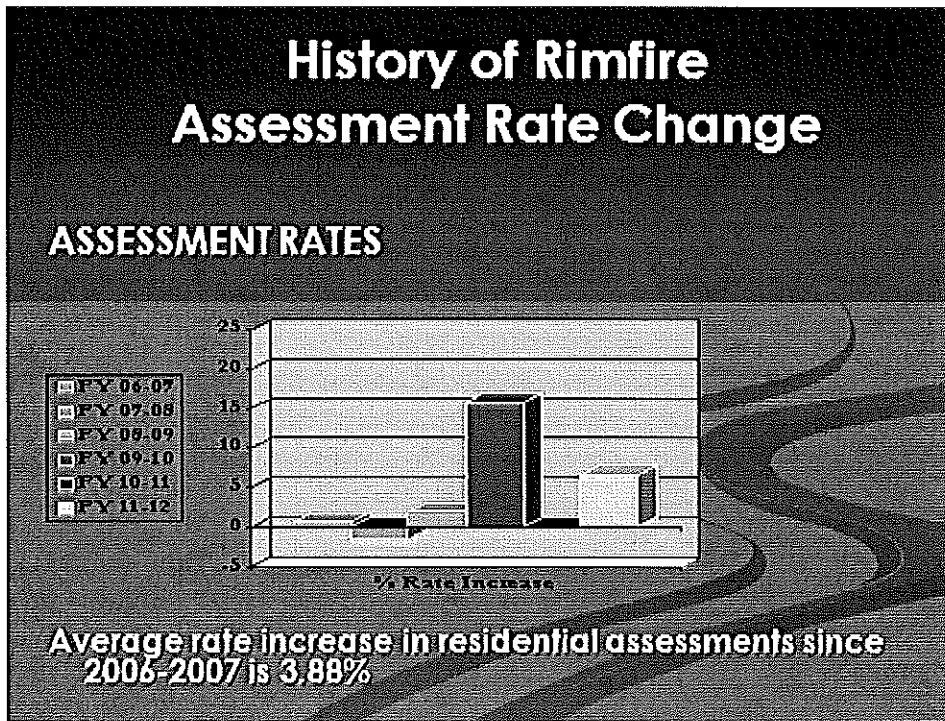
REFINED ALL LINE ITEMS AS NEEDED

ADDED LOAN PAYDOWN AMOUNTS (bulk of rate increase)

ADDED BAD DEBT LINE ITEM (\$5000)

ASSUMES GLYCERIN CONVERSION TO PREVENT SPRINKLER BREAKS

AVERAGE RESIDENTIAL RATE INCREASE OF 6%.



Bob Elwood explained that the bank loan previously secured was going to fall short of the funds needed to finish the exterior stain/repairs project this spring, and of the \$34,000 cost needed to convert the fire sprinkler system over to an antifreeze system, needed to prevent the multiple freeze/breaks resulting in catastrophic damages and guest interruption we've experienced each year. For this reason the Board had decided not to continue prepaying principal on the loan as special assessment money came in, but to keep the funds for the coming projects. The HOA would just continue to pay the regular monthly payment to the bank and amortize the loan over the next three years. This should prevent the need to either try to get another loan or to charge another special assessment. This would not in any way impact the accrual of interest on individual unpaid prior special assessments or for those who had already prepaid those. The budget line item added to reflect the monthly payment is the item having the greatest impact on the fee increase.

Ali Carr-Chellman recommended that the HOA adopt a dollar threshold level for Board decisions that would require a vote of the owners as a whole, while stating that she thought the Board had made the right decision in this case.

Kevin Wingfield then presented the following power point presentation on building maintenance issues:

Completed:

- Inspections – Elevator / Fire Alarm System
- Common Area Carpet Cleaning and Slate Sealing
- Health Club Equipment Preventive Maintenance
- Garage Cleaning
- Emergency Lighting – Inventory, Inspection, Repair
- Various Heat System Repairs
- Exterior Staining – North Building, East Side
- Repairs To Sprinkler Systems
- Conversion From Cable Television To Satellite Television
- Conversion From Snowshoe Telephone To Frontier
- Installation Of AED In Lobby
- Installation Of Carbon Monoxide Detectors In Mechanical/Hot Tub Equipment Rooms
- Ice Dam Repairs – Winter 2010
- Elevator Repair –Lobby Elevator

In Process:

- Roof Repairs
- Exterior Staining – South Building, East Side
- Cedar Siding Replacement – South Building, West Side
- Conversion From Snowshoe Internet To Third Party Service Provider
- Miscellaneous Water Penetration Identification And Repair
- Replacement Of Hot Tub Heater Exhaust Vents
- Annual Inspections – Sprinkler Systems/Domestic Water Backflow Preventer

Under Review:

- Sprinkler Conversion To Glycerin Based Anti-Freeze System

Kevin explained that the telephone service conversion had been completed, and that the phones now work more like the typical phone in a home, with 10 digit dialing required, except for 911; and there is a button to push for the Snowshoe front desk. For each unit the four digit number has not changed. For long distance, a guest needs to use a phone card or credit card. An owner asked/recommended that the numbers be included in a phone directory.

The Board is reviewing the last of several proposals that have been received from various service providers for internet. This last one is one of the few that provides adequate service to guests, while remaining affordable. The Board will need to decide soon on these and have the transition completed.

One owner asked if it is recommended that unit owners install carbon monoxide detectors in their units. It was responded yes, but that it would be up to each homeowner.

One owner asked for clarification on services provided to Snowshoe rental units and non-rental units. Individuals are responsible for inside their units, as well as their balconies, doors and windows. Exceptions include pest control and fire extinguisher inspections, which are handled by the HOA. Rental management companies typically provide in their agreements provisions for services that are individual responsibilities. The Declaration makes clear what areas are the responsibility of individual owners vs. the HOA. However, it was also stated that the HOA Board would determine whether HOA or owners are responsible for balconies since they are on the exterior of the building as further explained below.

Kevin noted that at the inception of the stain project, several decks were discovered to have rotting members. Repairs were made to the decks to make them safe and to weatherproof them so further degradation would not occur, but these were not permanent fixes. While not an immediate concern, a sizeable project will need to be planned for as the funds become available to do the permanent fixes. Bob Hall noted that while technically the decks are the responsibility of the individual owners, his opinion is that exterior projects should be the responsibility of the HOA for quality control purposes, unless the work is needed due to abuse by owners or guests. Bob Elwood stated that the Declaration gives the Board the flexibility to handle these issues as it deems best.

The meeting adjourned to a social function at the Foxfire Restaurant at 6:00 PM.