

Campfire Mountain Homes
Homeowners Association Annual Meeting
Minutes
Tuesday, September 7, 2010 at 2:00 P.M.

I. Open, Call to Order

- The Meeting was called to order at 2:00 P.M. Mountain Standard Time at the Keystone Center in Keystone Colorado. The following owners attended the meeting either in person or via teleconference:
 - Bonnie & Red Merchant
 - Bill Parkhouse
 - Valerie Thisted (by conference call)
 - Ernie Pierson (by conference call)
 - Rick Hamm

II. Review Proxies, Approve Previous Meeting Minutes

- Proxies were submitted by Kay Tierney (11), Myron Gordon (8) and Jan Tucker (1). Three owners are needed to create a quorum. With 8 homes represented, a quorum was met. The previous years meeting minutes were reviewed. Mr. Merchant motioned to approve the meeting minutes as presented. Bill Parkhouse seconded the motion and the meeting minutes were approved unanimously.

III. Reports: Managing Agent – Mike Magliocchetti

- Mike Magliocchetti, the Key to the Rockies General Manager reviewed the projects completed or underway so far this year.
 - The deck painting is currently underway by Brett Snyder of Snyder Painting. The deck surfaces

themselves have been completed and he is currently working on the rails, rail caps and deck pickets. This project is expected to be complete by mid September at a contract cost of \$5000.

- The drip irrigation system developed several major leaks and repairs are underway to restore that system. Jan Tucker notified management of two additional leaks by her building which are being addressed and corrected.
- One of the driveway light posts rotten and fell over this past year and has been replaced.
- A bear proof dumpster has been delivered to replace the old style in an attempt to keep out hungry bruins.
- Some cultured stone on the rock veneer has come loose and is repaired as needed. This has been a minor problem and dealt with as ongoing maintenance.
- The roof soffett on the south facing side of unit number 5 has again leaked this past winter. It is scheduled to be repaired within the next few weeks at a cost of \$1200. This part of the roof system will be completely rebuilt to prevent this leak from reoccurring.
- In the course of this discussion, the Reserve Fund was briefly addressed and the board instructed Mike to obtain a quote from Borne Engineering to update the reserve fund schedule. The RFP will cover an onsite visit by a qualified engineer and as an alternate, an update of the computer model using the same assumptions.

IV. Review 2010 Year to Date Financials

- Currently, as of the end of August, the Campfire Operating Fund has a slight deficit of \$406.14 however this is favorable to the YTD budget by \$1061.86. Management projects the Operating Fund to have a slight surplus by year end.
- One unit remains seriously delinquent in its dues. The board instructed KTTR to notify the owner that legal action would be initiated if the account was not brought current. Note: Subsequent to the meeting, the owner contacted KTTR, acknowledged the debt and indicated that he will bring the account current.
- The Reserve Fund balance as of the end of August totals \$65,201. For the remaining four months of the year, the reserve fund transfer from Operating will be an additional \$6,848. Subtractions from the fund will be \$5000 for Snyder Painting to re-stain the decks. With these adjustments, the estimated year end balance will be \$67,049. Working Capital funds, (in addition to reserves) totals \$11,074.

V. Review & Approve 2011 Budget

- No increase is being presented for the 2011 budget.
Thus there will be no increase to the dues for 2011.
Due to the surplus held as Retained Earnings from previous years, it was decided by the board to apply part of those retained earnings to the 2011 budget, offsetting the 4% increase on the proposed Operating Budget Plan submitted by management. The budget for 2011 was unanimously approved with this change.

VI. Election of Officers

- Mrs. Merchant, Mr. Parkhouse and Mrs. Martin's positions were up for reelection in 2010. Both members present stated that they were willing to serve for a new term. Mrs. Martin was not present and no indication was

given concerning her willingness to serve again. No other interest was made to serve on the board. The current board was thereby re-elected by acclamation to serve another term.

- President: Bonnie Merchant (term expires 2012)
- Vice President: Bill Parkhouse (term expires 2012)
- Treasurer: Rick Hamm (term expires 2011)
- Secretary: Vicky Martin (term expires 2012)
- Member at Large: Valerie Thisted (term expires 2011)

VII. Old Business

- The Master Insurance Policy for Campfire Mountain Homes renewed with Farmers Insurance Group on May 1st. The Premium is increasing to \$8248. The insurable value increased to \$7,171,500. The deductible is \$500 on the policy and the limit of liability is \$2,000,000 general aggregate. Mike obtained a competitive bid from American Family however their quote was \$9,015 so it was decided to stay with the Farmers Group.

Mr. Pierson suffered a loss from his hot tub failing which froze during the winter months. It was a total loss of approximately \$10,000. He submitted the claim to Farmers Insurance Group under his Unit Owners Policy and they denied the claim arguing that his hot tub was considered, in their interpretation of the Declarations, to be a common element and therefore must be claimed as a loss under the association's policy. The board took the position that this interpretation is incorrect and refused to file the claim under the Master Policy. The situation is still unresolved and Mr. Pierson has only been partially reimbursed for his loss. He asked Mike to construct a letter to the Insurance Commissioners office of the state of Colorado to seek a remedy against Farmers.

VIII. New Business

- Mike presented information on new legislation that was recently enacted by the State of Colorado concerning Reserve Fund Policies. All Common Interest

Communities are now required to adopt a Reserve Fund Policy stating how the reserves will be funded. Mike will draft a sample policy for the board to review and consider at its next board meeting.

IX. Open Discussion

A discussion took place regarding the potential of freeze ups and the protection using the battery operated “Freeze Warn” lights. Mike introduced the group to the alarm system that was recently installed at Snake River Village using wireless technology to send a low temperature signal from a unit to a central panel which would in turn send a signal to a central monitoring station. The system has proved very reliable at Snake River Village. A cold temperature sensor would be installed in each unit that would signal the panel. Mike was instructed to obtain a quote for this system for Campfire to include purchase, installation and ongoing monitoring cost and report back to the board.

And finally, Mr. Hamm took a moment to express his thanks and gratitude to Mike, Andrea and the Key To The Rockies team for its service and professional conduct in the management and care of Campfire Mountain Homes.

X. Adjourn

- There being no further business to conduct, the meeting was adjourned at 3:30 Mountain Standard Time.

Respectfully Submitted,

Mike Magliocchetti
Property Manager