

Gray Head Property Owners Association

2008 Annual Meeting Minutes

September 09, 2008

Call to Order:

Steve Catsman, Chairperson, called the meeting to order at approximately 9:10 a.m.

Establishment of Quorum:

Jeanne Buck, Secretary announced that a quorum of 83% was present, on conference or by proxy.

Present:	Steve and Terry Catsman	1 Lot
	Stuart Ross	2 Lots
	Susan Hepner	1 Lot
	Carl Ferenbach	3 Lots
On Conference:	Ralph Booth	4 Lots
	John Morgan	2 Lots
	Wendy Kane for Tuchman	1 Lot
	Ian Sanders	1 Lot
Proxies:	Barnett to Catsman	2 Lots
	Phelan to Catsman	1 Lot
	Coplan to Catsman	1 Lot
	GHDC to Catsman	3 Lots

Foreman's Report:

Mike and Lara presented a 2008 Overview as attached to these minutes.

Property Tax Valuation Settlement:

Our court settlement for the property tax valuation was successful. The savings to property owners of improved properties is about \$4000 per year.

Global Replat

The Global Replat is still in the making. This will allow for all the changes in building envelopes as well as any boundary line changes and any type of easements to be recorded. Building site envelopes keep shifting. An easement describing a water line coming out of summit creek to Lot 15 B will be included as well as a water feature (pond) system on 15B for a water source in that neighborhood. All loose ends need to be placed on one plat. Hopefully it will happen within the next 12 months. This does not affect any sales. It should be disclosed to potential buyers in regard to specific lots that the global replat is in the works.

Gray Head E52 Update:

Tom Kennedy is drafting a shared amenities agreement. Amenities to Gray Head owners include, valet parking, use of ski valet and ski lockers, access to spa/fitness center and private lift. E52 owner benefits include use of Gray Head trails and Parcel 17 subject to rules and regulations that will be developed separately.

Susan and Steve also asked Tom Kennedy to look into any benefit of holding Parcel 17 in an LLC as opposed to the HOA. Two issues, all homeowners have signed on to ownership of the cabin and Parcel 17. Susan feels since each homeowner has a legal obligation and a 1/23rd interest it would be in their best interest to form an LLC and allocate out the real estate taxes and interest expense. The LLC would then lease Parcel 17 back to the homeowners. Kennedy's inclination was in order to maintain the status of an HOA it would not be beneficial to form an LLC. A second concern was it might taint the grazing lease because it would be considered a commercial operation that would also increase taxes. Susan and Steve to get more information from Tom Kennedy.

HOA/Parcel 17 Financing Update

The Vectra loan holds the first mortgage and Gray Head Development holds a second. This next year the Vectra loan goes from an interest only to a 20-year amortization and an interest change. Payments will increase from approximately \$100000 annually to \$160000. Interest only is due on the Gray Head Development loan in 2010. At that time the loan may be paid in full or extended for an additional year.

Proposed Annual Budget for 2009

Due to the fact that there have not been any sales this year the 2008 budget is short \$172500 in House/Lot RETA sales. Since the annual budget's source of funds are predicated not only on assessments but projected lot and home sales that may or may not happen, Susan suggested we should consider not doing a one year budget but a two year budget to anticipate cash flow. It was agreed to do a 2009 and projected 2010 budget and base approval of the 2009 budget on this and distribute via email. Motion was made and passed unanimously to develop a two-year budget with a one-year approval.

Backhoe

Steve and Mike purchased a backhoe with potentially leasing or selling it to the HOA. Mike purchased the particular model that the bucket can be removed and replaced by a plow blade. Steve made a suggestion to keep track of the use of the backhoe this winter and compare it's cost based on a \$75.00 per hour usage fee and those affiliated with Telluride Gravel at \$110.00 per hour. Mike considers this more as an insurance policy, the equipment is on sight and available anytime and he is sure he can keep roads open.

Caretaker Agreement

Lara would like the POA to develop a longer caretaker agreement/contract than just year-to-year. Susan proposed that the homeowners meet and put together a proposal for Mike and Lara. Stuart, Susan and Terry volunteered to put such a package together. Mike and Lara provided a job description.

Stuart motioned for adjournment, Susan seconded, and the meeting was adjourned unanimously.

All homeowners remained in person or on conference for an executive session. Jeanne, Mike and Lara left.