

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS
MOUNTAIN VILLAGE OWNERS ASSOCIATION
APRIL 26, 2007**

MEMBERS PRESENT: Jonathan Sweet, Ken Stone, Mark Manley, Jeff Proteau, Andrew Karow, Bob Franzese, and Glenn Alba (by teleconference)

MEMBERS ABSENT: None

STAFF PRESENT: Gary Suiter and Paul Garnett

OTHERS PRESENT: Stephanie Fanos, Jim Riley Eric Sather (Peaks Resort), Steve Treacy (Telluride Human Potential Institute), Heather Rommel, Kathy Mahoney, Erin Neer, Nicole Pieterse (Monument Realty), Shawna LeBorde, Jenny Delves, Bob Delves (Tennis Association), Bob Rubido, Dan Dougherty, Anneliese Riebel, Jonathan Greenspan, Judy Schutza (USFS), Michael Deleon, Stephen Barret (KOTO), Lulu Hunt, Brianne Hovey (ASAP)

I. **Roll Call** was taken; quorum was established with all members present, except Director Franzese and Director Alba. Chairman Sweet called the regular meeting of the Board of Directors of Mountain Village Owners Association to order at 9:02 a.m., on Thursday, April 26, 2007.

II. **Reading and Approval of the Minutes of the Regular Meeting of March 28, 2007.**

On a **MOTION** made by Director Karow and seconded by Director Manley, the Board unanimously approved the minutes from the regular meeting of March 26, 2007, as presented. The next meeting will be May 16, 2007 at 9:00 a.m.

III. **Director's Report**

Interim Executive Director Gary Suiter presented his report to the Board regarding transitional services and the MVOA bank accounts. Gary said that he had hoped to have a proposed scope of work as well as a contract for the Board of Directors and Town Council regarding transitional services that the Town of Mountain Village will provide until the end of the summer. All of the key players were out of town, so Gary will present the proposed scope of work and contract to the Board at the May meeting.

Gary Suiter asked the Board whether they had any desire for signatories on the current bank accounts. He also suggested that MVOA put the accounts up for bid to the local banking communities soon, put out an RFP, and give the business to the best banking bid. MVOA currently has accounts with American National Bank (operating and investment), US Bank (escrow), and Piper Jaffray (significant investment).

Director Alba joined the meeting at 9:06 a.m.

Gary asked the Board if any of the Directors wanted to be signatories on the accounts. He told the Board that he has authorized himself, Richard Betts, and Hilary Soules as signatories and that there must be two signers on checks written for over \$5,000.00. Gary Suiter also informed the Board that he is reviewing and initialing the invoices for payment approval. Director Sweet disclosed that he works for US Bank and then stated that he feels comfortable with the signatories set up, but at a minimum, would like to review the check details on a monthly basis. He also requested that the bank bids be open to all of the banks within the community, not just the banks in the Town of Mountain Village. Director Karow said that he would like for the Board to see monthly financial statements including balance sheets, income reports, and a monthly check detail to keep up with MVOA's financial position on a month-to-month basis. The Board asked Gary to talk with ASAP regarding these reports. A discussion followed regarding the details of the data transfer from the Town of Mountain Village to ASAP. ASAP is working towards generating the monthly reports, and that the reports would be available to the Board prior to their meetings and approved similarly to the meeting minutes.

Director Franzese joined the meeting at 9:12 a.m.

Gary Suiter finished his report by informing the Board that he has hired Dan Dougherty to develop a communication plan. Dan Dougherty would like to come to the May meeting to outline the planks of the communication plan and have those planks reviewed by the Board. Director Sweet asked that there be plenty of time with Dean Johnson (CPA) at the May meeting. He also complimented the website that Gary Suiter and Paul Garnett have put together. Director Karow asked about the search for the next Executive Director. He would like this search to take priority over the bank account bids. Director Sweet and Director Karow agreed to meet to discuss the details of the Executive Director search.

IV. Discussion: Proposed Grants Policy – Gary Suiter/Jim Riley

At the Board's request, Gary Suiter has looked into creating a more structured process for grant proposals. He worked with Jim Riley to come up with the concept of categorizing the grants as internal events, non-profits, third party events, and conferences. They are suggesting a new government structure, which would be a committee comprised of representatives from the MVOA Board, Mountain Village Town Council, the Telluride Foundation, MTI, and the Tourism Board, as well as a staff representative to answer any technical questions. Suiter and Riley also recommended expanding the grant cycle to three or four times a year as opposed to annually. If someone misses a grant cycle, they will have the opportunity to get on the next grant cycle. This would hopefully limit requests outside of the current grant cycle. There would be an appointed board to review and make recommendations to the proposed grants, and would then come to the MVOA Board of Directors for ratification.

Director Sweet asked for clarification regarding \$40,000.00 that the Town of Mountain Village sets aside for Social Services, which would stay the same. He also sought clarification on how they will allocate money to these grants. Director Proteau stated that there should be an annual review by the financial committee based on the annual budget. Director Franzese would like MVOA to set priorities and goals that are focused upon a yearly plan as well as a five-year plan. He feels that the Board should evaluate the money that MVOA spends based on those priorities and goals. The Board discussed putting this topic on the agenda for the June meeting. Jim Riley re-iterated the importance of putting a staff member on the committee for evaluating the proposed grants. Director Stone seeks a distinction between a grant and a sponsorship. A discussion followed regarding the differences between a grant, a sponsorship, and a conference. Erin Neer asked for clarification of what process Town of Mountain Village funding requests would have to take. Director Sweet said that it would fall outside of the grant process discussed earlier.

V. Discussion: Mountain Biking Enforcement – Judy Schutz (USFS), Jeff Proteau, and Mark Manley

Discussion of Mountain Biking Enforcement was pushed back until Judy Schutz of the USFS arrived.

VI. Discussion: Proposed Fixed Asset Settlement – Gary Suiter

The financial sub-committee met in April and is looking for policy guidance from the Board of Directors regarding MVOA's Fixed Assets, particularly Town Hall. Director Sweet announced that he would recuse himself from the discussion, as he is a member of Town Council. Director Manley felt that MVOA is not ready to give up fixed assets, especially Town Hall. Erin Neer asked how the Board felt about the Town operating MVOA's other fixed assets without an agreement on paper. Director Manley replied that he would like to document the agreements between the Town of Mountain Village and MVOA. Stephanie Fanos suggested that she and Gary Suiter could meet and write up that documentation and have the written agreements at the

next meeting. Director Franzese requested that this Fixed Asset Settlement be a straight business transaction, without politics, and he requested contracts on everything. Director Alba asked what the rights are of the separate entities. Stephanie Fanos explained that there is a joint ownership agreement that governs the ownership of Town Hall and there is a provision for buy-out by either party.

During public comment, member Anneliese Riebel asked the Board if MVOA has to ask the homeowners before selling such a large asset. Stephanie Fanos replied that the Board would have to take that into consideration. Town Council member Bob Delves asked for security in the future uses of Town Hall by the Town of Mountain Village and that the cost for their use of Town Hall would be secure and as low as possible.

Director Franzese summarized the Board's decision to obtain detailed information and contracts. Gary Suiter said that he would work with Stephanie Fanos to produce a detailed report of what is owed and what value the assets hold. He then asked if he and Stephanie Fanos have clear direction from the Board to produce these reports when they may not be interested in selling their portion of Town Hall. Director Karow stated that he does not see a reason to sell, but he does see a reason for a long-term lease that would satisfy both the needs of the Town and MVOA. Stephanie Fanos explained that there already is an agreement in place and that MVOA may want to re-visit that agreement.

VII. Discussion: Mountain Biking Enforcement – Judy Schutzta (USFS), Jeff Proteau, and Mark Manley

Director Proteau introduced Judy Schutzta and explained the relationship between Telski and USFS. Judy Schutzta explained that there are mountain bikers who are out of control, there are illegal trails sprouting up all over the mountain, and the US Forest Service is concerned about the resource damage, soil erosion, and vegetation that is lost to these trails. Director Sweet asked Judy Schutzta whether the issue has been shared with the Town of Mountain Village and said that they should be aware of the issues related to Mountain Biking Enforcement as well. Director Proteau explained that they have been in contact with some of the downhill mountain bike racers of the Paragon Cycling team and Director Manley explained that the only way to resolve this issue is through working with the mountain biking community. Judy Schutzta explained that the issue is not specific to down hill trails, but affects the cross-country trails as well. The US Forest Service would like to hire a mountain bike patrol and is asking MVOA for funding.

Director Proteau asked Judy Schutzta to address the importance of the mountain bike patrol and how the patrol would work. Judy explained that the mountain bike patrol person would not be associated with the Town of Mountain Village or the police department. She said that this person would be a USFS employee who would patrol and enforce the trail systems, explain the rules and boundaries, educate riders, and have authority to give citations. Director Franzese asked about the liabilities involved. Stephanie Fanos explained that as a USFS employee, the actions of that employee would fall upon the USFS as a liability. Director Franzese then asked whether or not the patrol would have jurisdiction over private land. A discussion followed regarding what would need to happen for someone to patrol mountain bike trails on private land. Director Proteau explained that the goal is to have a great mountain biking program accessible by the gondola for families, cross-country mountain bikers as well as down hill mountain bikers. Director Franzese asked about the demographic of the mountain bike community and how the town of Mountain Village could benefit from enhancing its mountain biking program. Director Proteau explained the demographic and what people spend on their mountain bikes. The local mountain biking community has a website that can bring in visitors. Director Proteau explained that they can work with the local group to decide which trails to keep, which to close, how to mark the trails and re-vegetate the closed trails. Director Franzese would like to see research on what kind of return the can expect before they invest. He would not like to invest money into the mountain biking program if it will not benefit the Town of Mountain Village.

A discussion followed as to research that is available on such economical benefits of mountain bike programs. There was public commentary regarding the logistics of the USFS employee who would be patrolling and the idea that enforcement should be accompanied by education.

**MOUNTAIN VILLAGE OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING**

APRIL 26, 2007

Mountain Village employees said that the return on the Full Tilt event was great, and that they would be happy to provide that information to the Board of Directors. The biggest return comes from the junior racers who are accompanied by their families who stay in the local hotels and eat at the local restaurants. Director Franzese voiced his opinion that they develop other sources of revenue to help fund this patrol, in the form of perhaps a lift ticket. Director Sweet asked that this issue be put on the agenda for the May meeting. The Board has the information from the USFS and will collect more information to help them make an educated decision on the funding for the mountain bike patrol. Judy Schutzta reminded the Board that they have two issues to keep in mind: one is the patrol and dealing with the trails that are already in place, the other issue is looking to the future and having a vision to work towards. Further discussion followed regarding the logistics of the patroller and the people who would take advantage of the mountain biking trails in Mountain Village.

VIII. Discussion/Staff Direction: May 22 Election Information – Jonathan Sweet/Gary Suiter

Director Manley announced that the Board has a goal to provide timely, quality information to the MVOA members, so they can make decisions regarding the community and its future. He thinks that this Board should educate the members, without advocating, regarding the impacts of the 161CR project. Gary Suiter posed two questions to the Board: should MVOA have an advocacy role, and if so, what role should MVOA play in the upcoming elections? Director Sweet asked how MVOA has performed in the past. Stephanie Fanos said that MVOA has taken a very active role in the past, ex: 5051.

Director Proteau said that he would like to see an informational/factual piece sent out to the owners of Mountain Village, which would help them to make a decision on their own. Director Sweet stated that if the MVOA Board decides to deviate from the role they have played in the past that their deviation should be made clear. A discussion followed amongst the board members regarding the role they should play in the upcoming elections. Director Alba, Director Karow, and Director Franzese were uncomfortable with MVOA taking an advocacy role in the 161CR project, spending funds on additional research or consultants, that an informational piece sent out to owners could be interpreted as MVOA advocating for one side or the other. Director Alba felt that MVOA's role should be informing everyone eligible to vote that they have the right to vote on the 161CR project and that there is information available to them, from both sides, that they can review prior to voting. The Board discussed the letter that they already sent out to the owners and whether or not it was sufficient. Director Franzese stated that his problem with this whole process is that the MVOA Board needs to get "their house in order", have priorities, a plan, and a process to follow from the beginning. Director Sweet felt strongly that MVOA should step up to the plate by providing non-biased information to the owners. He has been disappointed in the information available regarding the project and feels a responsibility to educate MVOA members regarding the impacts the project will have on the community. Director Stone felt a need to put out information that is factual and untainted; the information available from each advocacy group appears slanted.

Director Manley made a **MOTION** to direct Gary Suiter to pull together an informational and educational document with regards to the pros and cons of the 161CR project and how it directly impacts the MVOA mission statement. To retain services that he deems necessary to produce such a document, to retain legal council to review that document prior to its publication, and to authorize Gary Suiter to mail and e-mail the document to all MVOA members and the press. Director Proteau seconded the motion.

The discussion was then opened up for public comment. Shawna Laborde (homeowner) disagreed with MVOA getting involved and said that creating a truly unbiased informational packet is very difficult. Nicole Pieterse (representing owner Monument Realty, who is the developer for Silverline) asked the Board to let the vote play out through public process. She said that the Board could jeopardize MVOA's role by creating a statement that would not allow them to remain neutral. She warned the Board that they run the risk that they would be presenting Chuck Horning's wishes. She said that the voters are capable of finding the information that exists and making a decision. Bob Delves (Town Council) said that he is opposed to the Board sending an informational document out to the owners. He declared that he is not aligned with

either advocacy group and that the propaganda out there is awful. He has tried to write something himself and found that the separation of facts from fiction is difficult. He used density as an example. Density in the Core is different from density on Adams Ranch Road. He felt that the Board would be better off not doing anything and let the voters find the information themselves. Steve Treacy (Telluride Human Potential Institute) said that the 161CR project is the most important economic decision to be made for the Village Core. He feels that the Board should state their personal opinion rather than create a collective document. Director Sweet made the clarification that as a board, they have to decide what their responsibility is to the MVOA membership, and that does not always coincide with their personal opinions. Jenny Delves (homeowner) then requested to know how each Board Member feels regarding 161CR. Director Sweet reminded her that they were not there to discuss their personal opinions. Stephanie Fanos redirected the conversation to the motion regarding whether or not the Board should put together documentation for its membership. She clarified that if the Board does not put their personal opinion aside, they are not doing their job. Jenny Delves then asked each Board member whether or not they had participated in either advocacy group. Stephanie Fanos redirected the conversation once more to the motion on the table. Anneliese Riebel (homeowner) said that the Board members would be able to voice their personal opinions through their votes. She firmly believes that the Board should not try to publish a non-biased document; it is too difficult. She agrees with Director Franzese that the MVOA needs to get their house in order. Bob Rubido (lives in the greater Telluride community) focused on the motion, said that presenting information in a pro/con format puts them in the advocacy realm, the Board will be judged as a friend of a foe of the project. He further asked the Board to which legal bar they will hold themselves to and that they should realize that variations in legal bars exist. Jenny Delves asked the Board if any of them or their employer's provided funds to either advocacy group. Each of the Board members answered that neither themselves nor their employers funded either advocacy group.

Further discussion amongst the Board members followed the public comment. Director Manley amended his **MOTION** to direct Gary Suiter to pull together an informational and educational document with regards NOT to the pros and cons, but to the impacts of 161CR. Director Proteau accepted the amendment and after further discussion amongst the board members, the motion passed by a 4 to 3 majority.

IX. Consideration of Contract Extension for Suiter & Associates – Gary Suiter

Director Sweet and Gary Suiter discussed Gary's experience as the Interim Executive Director as well as his work load. Gary presented his proposal to extend his contract through the end of May 2007. On a **MOTION** made by Director Karow and seconded by Director Manley, the Board unanimously decided to extend Gary Suiter's contract.

X. Other Business

Director Sweet asked Stephanie Fanos to seek accuracy in the information regarding MVOA in publications "out there". Erin Neer asked for clarification on the Affordable Housing project. Director Sweet decided to recuse himself since he is a member of Town Council. Erin asked the Board to work together with the Town on a written agreement regarding the Affordable Housing project.

A discussion followed regarding the tennis courts: including platform tennis and regular tennis. Directors Proteau, Stone, and Manley had to recuse themselves from this conversation because they are employees of Telski. Director Sweet had to recuse himself from the conversation because he is a member of the Tennis club. The proposal of MVOA's purchase of the Tennis courts for \$104,000.00 was not on the agenda and the Board could not make a decision today. The proposal was discussed along with the ownership and rights of the courts and the membership of the Tennis club. On a **MOTION** made by Director Karow and seconded by Director Alba, the Board voted 2-1 in favor of directing staff and legal council to negotiate an agreement to move the asset of TPTA to the Town of Mountain Village. Director Franzese voiced this concern that the lease is not ironclad and that if Telski decided to change the lease, MVOA would have wasted the money to move the asset to the Town of Mountain Village.

**MOUNTAIN VILLAGE OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING**

APRIL 26, 2007

XI. Executive Session

Director Sweet called the Executive Session to order at 11:40 a.m. for the purpose of discussing litigation: update on Le Chamonix Lawsuit – Stephanie Fanos. On a **MOTION** made by Director Proteau and seconded by Director Manley, the Board unanimously voted to return to public session at 11:59 a.m.

XII. Legal Business

On a **MOTION** made by Director Franzese and seconded by Director Alba, a quorum of three board members unanimously decided to send Director Karow to represent MVOA at the Le Chamonix settlement.

On a **MOTION** made by Director Proteau and seconded by Director Manley, the Board unanimously gave Stephanie Fanos authority to seek tax council, provide the Board with a cost proposal for the tax council, and authorize \$2,000.00 for this tax council.

XIII. Meeting Calendar

The Board set the meeting schedule so that their meetings will take place every third Wednesday of the month at 9:00 a.m. The May meeting will take place on May 16, 2007 at 9:00 a.m.

The Board also discussed a retreat with Town Council that will be pushed back to July. Gary Suiter suggested that the Board meets for their own retreat to discuss their priorities before the retreat scheduled with Town Council. The MVOA Board of Directors retreat will take place on May 23, 2007 at 12:00 p.m., and is open to the public.

Gary Suiter announced that the deadline for the agenda packet is May 9, 2007.

XIV. Adjournment

On a **MOTION** made by Director Sweet and seconded by Director Manley, the Board unanimously agreed to adjourn the meeting at 12:10 p.m.

Respectfully submitted,

Brianne Hovey
ASAP

05/08/07

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS
MOUNTAIN VILLAGE OWNERS ASSOCIATION
JULY 18, 2007

MEMBERS PRESENT: Jonathan Sweet, Ken Stone, Mark Manley, Andrew Karow, Bob Franzese.

MEMBERS ABSCENT: Glenn Alba (resigning), Jeff Proteau.

STAFF PRESENT: Paul Garnett, Jenny Carlson, Michael DeLeon, Kate Danaher, Jim Riley.

OTHERS PRESENT: Stephanie Fanos (MVOA Legal Counsel), Diane Carey (MTI), Scott McQuade (MTI), Steve Treacy (ResortQuest), Brian Eaton (resident), Peter McGinty (resident/Elevation Vacations), Richard Child (resident), Chris Colter (Town of Mountain Village), Penelope Gleason (BootDoctors), Erin Sweet Neer (Town of Mountain Village), Elizabeth Howe (Telluride Ski & Golf Co.).

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I. Call To Order – President Sweet called the regular meeting of the Board of Directors of Mountain Village Owners Association (MVOA) to order at 10:36 a.m. on Wednesday July 18, 2007.

II. Reading and Approval of the Minutes of the Regular Meeting on June 20, 2007,

President Sweet asked for a motion to approve the minutes from the last Board meeting on June 20, 2007. On a MOTION from Director Manley, seconded by Director Stone, the Board unanimously approved the minutes from the last meeting.

III. Director’s Report and Staff Reports

MVOA acting Executive Director Paul Garnett went through the highlights of the Transition of Services presented in the Board packet. MVOA has ordered and received a new server for its office so that the Town of Mountain Village can get their server back. The new server is being installed by Todd DeJulio of Town of Mountain Village. MVOA is also in the final stages of determining and setting up MVOA personnel benefits as well as final job offers for Kate Danaher, Michael DeLeon and Jim Riley. An organizational chart and personnel manual/handbook still needs to be created.

The MVOA grant process has after the joint meeting turned into the Mountain Village Conference and Event Review Board. The scope for this Board is to oversee the prioritizing, scheduling and funding of events in the core of Mountain Village and at the Conference Center. The goal is to schedule a joint meeting between the MVOA Board and Town Council a few weeks after the Board meeting, preferably in late July or early August. The goal is to have the Conference Center operating with different events several times a week.

The final design for the welcome booklets for new Mountain Village home owners was approved on July 13 and sent off to the printer. As soon as the packets are back from the printer MVOA is anticipating mailing the packets out to new owners shortly thereafter. Booklets will be mailed to all MVOA members who became members/owners on or after January 1, 2007.

The Notice of Candidate Interest for the upcoming election was published in the Telluride Watch and Daily Planet, posted on the www.mvoa.org website and e-mailed to our MVOA e-mailing distribution list. So far, three packets of interested candidates have been submitted. The deadline for receiving packets from interested candidates is July 24, 2007. The notice of annual meeting, along with a proxy, RSVP card, and the notice of candidate interest was mailed by US Mail to all MVOA members on record as of July 1, 2007 on Monday July 16, 2007. Temporary help will be hired as soon as possible to help assisting in validating all databases.

MVOA coordinated a meeting on July 2, 2007 to discuss the future of Guest Services. TSG and MTI will present their proposals for Guest Services later on in this meeting. At the meeting on July 2, different issues were discussed as well as solutions for the short-mid-and long-term.

President Sweet reported that the Executive Search is moving forward actively.

Paul Garnett went back to the Director's Report and mentioned that e-mail addresses for MVOA staff is on hold until it is decided whether or not the name will be TMVOA instead of MVOA. This will be incorporated in the e-mail addresses.

President Sweet also emphasized that there is a lot of important information to share regarding the election. MVOA is proposing to change their name (to TMVOA) and also amendments to the articles and bylaws. President Sweet asked how MVOA can make sure this information is provided. Stephanie Fanos explained that the mail ballots that will be sent out will have a cover sheet explaining the questions on the ballot. MVOA will also post information on their website as well as an article in the local newspapers, explaining the election process. Stephanie Fanos also reminded all attendees of the deadline for candidate interest. Ms. Fanos explained that there is a lot of work to be done prior to the election, mainly with verifying all voters, especially commercial space. Director Manley asked if the MVOA Board had already authorized hiring temporary help. Ms. Fanos answered that they have, however the problem has been to actually find help.

Director Manley also wanted to know if the Board had to make a special vote if they wanted to change the Board meetings from a monthly occurrence to a quarterly. Stephanie Fanos said that this process would just take a majority vote from the Board of Directors at a regular Board meeting. President Sweet emphasized that the key issue for the election is the amendments of the articles and bylaws and also the changing of the annual meeting from August to December or January. Stephanie Fanos also added that the staggering of Board of Directors' terms, preventing a full turn-over is also important. It is also important to change the language of the articles and bylaws to make sure the definitions meet what is done in practice. Director Franzese asked if the Board had agreed on a forum yet. President Sweet said that a forum would be a good idea and suggested that all interested candidates would be invited to the August 15, 2007 Board meeting for an hour long forum after the actual meeting.

Penelope Gleason from BootDoctors mentioned that she has had a lot of owners asking her questions regarding voting rights. Stephanie Fanos said that this is the main reason why MVOA is clarifying the language of the articles and bylaws. The different categories have slightly different voting rights. The lodging category (including hotel rooms), gets voting rights based on zoned density. If a space is not yet built and sitting in the density bank, that space does not acquire a vote. However, once it is built, it can vote. Stephanie Fanos also explained that there is language written in the articles and bylaws for the residential category that has never been followed. The residential category is based on condos and single family homes. Whether or not space in this category is built or in the density bank, it gets to vote. The commercial category works as such as if the space is built, but vacant, it cannot vote. Penelope Gleason further asked how assessments were decided. Stephanie Fanos answered that if you for example own a parking space, you cannot vote based on that space, but you will be assessed based on it. All density in the commercial category is assessed, even if it is not built and sitting in the density bank.

IV. Discussion: Town of Mountain Village Gondola Operations and Financial Update

Stephanie Fanos started the discussion by making sure that all Board members received packets with all governing agreements for the gondola and chondola operations. President Sweet asked if certain documents were considered classified. Ms. Fanos answered that we can include them in the packets for discussion; however MVOA should not post them on their website without consent from other parties. The last set of agreements in the packet explains the ski area expansion agreements and increasing gondola and chondola rider capacities. The interesting part about the agreements is that the actual operation of the gondola is operated by Town of Mountain Village, but it is funded by MVOA. Originally the gondola was managed by the Telluride Gondola Transit Company, which no longer

exists. There are three basic agreements that govern the operations of the gondola that set forth the provisions on standards. Although the town is managing the day-to-day operations of the gondola, MVOA is, and should be, involved.

Erin Sweet Neer from Town of Mountain Village described the operations of the gondola. It is stated in its governing documents that the gondola shall be provided as a free service, that it shall operate at least 3,400 hours/year, that the town shall provide quarterly reports to MVOA (this is the first report for 2007) and that the gondola shall operate in the amount equal or more to the ski area. The majority of the funding for the gondola comes from MVOA (98%). The rest is covered by TSG, who contributes about 1% of their eligible lift ticket sales (this added up to be \$115,000 for 2006), Town of Mountain Village and San Miguel county (which contributes about \$44,000/year – this enables the town to expand the service for two extra weeks every fall) and also from various FTA grant funds awarded to the town.

There are several departments of the gondola operations; the first one is the rescue service with a staff of on-call riders. The chondola is operated based on a different agreement than the gondola; however it is funded the same way as the gondola. TSG is a little more involved in the chondola operations, since it operates partly as a ski lift. Town of Mountain Village just completed the final payment on their capital lease for the chondola, which leaves the town with payments only for staffing and various maintenance and repairs. The gondola department includes all daily operations, including operators and supervisors. There is also the maintenance department, which includes repair staff for all maintenance and repairs, however excludes major repairs. The fixed cost includes insurance for the gondola as well as cost for lightning detection etc.

Town of Mountain Village has a contract for maintenance/upgrades with CTEC. This is for the planned upgrade being done to the gondola in 2007 and 2008. The upgrade includes new doors and noise reduction tiers. The town is also making two down payments for new gondola and chondola cabins. The contract for the cabins needs to be ready in 60 days in order to have a delivery next fall. There are currently 48 cabins on the gondola with capacity to add 12 more. Section three has 11 with capacity for 9 more. The chondola has 8 cabins and can have 4 more added. The requirement is to add 1 more to the chondola and 4 more to the gondola by 2010. The upgrade also includes the approved expansion to the San Sophia station to provide cabin storage and maintenance capability. The town is also replacing 2 snow mobiles. President Sweet asked what the price is to replace a cabin. Erin Sweet Neer answered that it is approximately \$50,000/cabin. The agreement is to replace 1 for the chondola by 2010. Ms. Neer continued to go through the budget for the gondola where expenses in May were under budget and gondola operations costs were down 23%. Town will sit down in August and September to go through the gondola budget for 2008. After a short discussion it was established that MVOA does not have a deadline in December to approve the budget, and the Board and town agreed on a budget hearing at the end of November. Erin Sweet Neer asked who the Board would appoint for her and her staff to work with regarding the budget and President Sweet suggested the MVOA staff, including Stephanie Fanos, Paul Garnett and Richard Betts of ASAP.

Erin Neer emphasized that the town has to make a deposit on new cabins this year in order to have them delivered in time. However, it is a Board decision on how many cabins should be replaced and when. The town recommendation is to replace 4 chondola cabins and 7 gondola cabins in 2008. This will meet the requirement of having them replaced by 2010 and the recommendation is also based on customer satisfaction. Many Meadows residents have had concerns regarding the quality of transportation, especially during peak times. The request from the Board was for town to deliver a full recommendation at the September meeting, including the 2007 revised budget and 2008 proposed budget as well as a 5-year plan for the gondola operations.

Director Manley asked what the cost of shipping is for just 1 cabin. Erin Neer was not sure it is feasible only to ship 1, but will look into it. Director Manley asked that this type of information would be included in the recommendation as well. Stephanie Fanos asked if Telski is obligated to pay 50% of the cabin replacement. Erin Neer answered that MVOA is actually obligated to fund 100%. Chris Colter from Town of Mountain Village mentioned that it may be possible to piggy-back on other resorts when it comes to shipping of cabins. It was also established that town is only obligated to track

ridership, not necessarily analyze it. Erin Neer asked if the Board would like quarterly reports for the gondola operations. The Board agreed. There was a short discussion on extreme situations regarding extended hours and MVOA's involvement in those situations. If the town wants to extend hours for a special event, they need MVOA's consent to do so, since it means a higher cost of operations. It was proposed that in the unusual events this happens last minute, the town should work with the MVOA Executive Director (who in turn can contact the Board President and Secretary) to inform them about the request.

Chris Colter from Town of Mountain Village presented his report on upcoming maintenance for the gondola. In the second quarter of 2007 there were 347,000 riders on the gondola to be compared with 263,000 for the same period in 2006. This is a huge increase. There were essentially two short periods of overtime for the gondola during this time; three nights during Mountain Film and five nights during Bluegrass. There were a few occasions of down-time of more than ten minutes, due to broken parts, but also for scheduled down-time including caterpillar spraying.

Last year the San Sophia station addition was approved to include cabin storage and maintenance capability. TSG is just waiting for town to adopt a policy for banking of credits for conveyances of open space for public good projects. There is also capital rebuild planned. Phase I was completed last spring and included running rails for all terminals. The next phase, Phase II, was for the most part completed during the spring of 2007 and included parts for the support tower. The most ambitious phase, Phase III, is scheduled for the spring of 2008 and will involve replacement of accelerator and decelerator terminal assemblies, and also replacement of cabin grips and hangers. Town's contractor CTEC has informed staff that the currently used 42 mm grips will no longer exist in the future. The solution for this is to order 44 mm grips. In addition, the mainline haul ropes that were installed in 2002, have beginning to shed filler material. This is not a safety concern; however it is causing a lot of stops and down-time for the gondola. The supplier, Fatzer, is willing to work with town on a 50% discount for replacing the ropes. Since the 42 mm grips will be discontinued, it is wise to order the haul rope in size 44 mm as well. President Sweet wanted to confirm that these ropes were supposed to be replaced in 2010, but will instead have to be replaced in 2008. Chris Colter confirmed that this perception is correct. The staff at Fatzer has claimed that this will not happen again and have taken extra precaution by using better equipment, however, noted Colter, there are no guarantees.

President Sweet asked what the town needs from MVOA to make the replacements happen. Town of Mountain Village will need a guarantee that they will receive funding for this project. Director Karow asked if there are any changes in price in using a different model of rope, 44 mm instead of 42 mm. Chris Colter answered that there is a small difference in price, however since Fatzer will no longer produce 42 mm in the future, it is better to go with 44 mm now. President Sweet encouraged Chris Colter to work with staff on budgeting etc. for the replacement. Chris Colter summarized the discussion by announcing that the town will continue on the road to replace the haul ropes with as much guarantee and replacement discount as possible. On the post for New Cabin Order Chris Colter made a correction for 7 new gondola operators instead of 4. This is accounted for in the budget. President Sweet wanted to make sure the budget is made with a focus on efficiency and to spend as little money as possible. This was confirmed by Town staff. Chris Colter added that the town has no interest in hiring extra staff if not needed. Director Franzese wanted to know if town has had any problems with TSG on the agreement. Chris Colter answered that the town has not had any problems. Director Manley confirmed that there are no hold-ups from Telski's side. Director Manley wanted to know what the benefits (if any) are to changing to a bigger size haul rope, apart from the fact that Fatzer will not provide the 42 mm in the future. Mr. Colter answered that if the rope does not get replaced it will become a lot harder to find supplies in the future. It will be an issue about 10 years from now. Director Manley also wanted to know if there are any material savings to the change. Chris Colter said that there is not a significant change. Erin Neer indicated that the main benefit will be that there is no need for a special order and also that with higher quality equipment there will be less maintenance and therefore lower replacement costs in the future.

President Sweet also wanted to confirm that the reason for this lack of capital is strictly a timing issue with material and not a budget issue. This was confirmed by the town. President Sweet suggested that

MVOA would start reserving access capital now for the next replacements in the future. Both Erin Neer and Stephanie Fanos agreed and mentioned that if there is no capital in the future for replacements, special assessments would have to be done.

Penelope Gleason asked during public comment if there will be any down-time this fall as there has been this summer. Chris Colter replied that the staff will do their best to avoid any unnecessary down-time. Mountain Village resident Brian "Bingo" Eaton asked how the amount of riders in a day is calculated and Chris Colter replied that exit counts are made at every station. Mr. Eaton also congratulated Chris Colter on his staff, which is always dressed nicely and friendly. Mr. Eaton also made a suggestion to implement singles lines during peak times, to speed up the boarding process.

V. Discussion: Future 2007/2008 Events

Paul Garnett started the discussion by mentioning that this agenda item is an update from last month's discussion on approving events. Kate Danaher mentioned that this is the first step in the process of an events assessment. MVOA is now working on putting together ROI's, both past and future, and the dates for the events need to be established first.

President Sweet suggested that MVOA staff would include benefits to members in the assessment to show that their resources are being spent wisely and to showcase the benefit for members. President Sweet also asked if the Winter Festival is the event that has an ice sculpture. Kate Danaher replied that the SnowFest is the one with the ice sculpture and that the Winter Festival is a proposed new event to bring visitors to the area specifically for the event. There was a short discussion on when the best date would be for this festival, but the suggested date, March 29 and 30, seems to be the best option, since this is a slightly slower time the weekend before the season ends.

Kate Danaher mentioned that she is bringing the Farmers Market to Mountain Village for a test run this summer. The Telluride Farmers Market has expressed interest in having a Mountain Village Farmers Market on a long-term basis. The test run is projected for 4 dates in August on Wednesdays before the Concert Series. This way MVOA can attract more visitors to the core earlier in the day. Kate Danaher also mentioned that this test run has no budget impact at all. Director Franzese mentioned that since he also owns a store in Telluride, he knows of several merchants who are concerned that the Farmers Market also contains merchants who sell other products than produce, meats and cheese, such as jewelry and leather. Director Franzese wants to make sure that the Farmers Market in the core will not be the same. President Sweet asked what the proposed location for the market is. Kate Danaher replied that the proposed location is the Heritage Plaza and the Beach. The Board agreed that the location and the test run is a great idea and that it would be beneficial to the core.

VI. Discussion/Action: TSG Guest Service Proposal

Directors Karow, Stone and Manley were excused from this portion of the meeting.

President Sweet started the discussion by explaining to all attendants that in the transition from Town of Mountain Village MVOA is looking to contract the Guest Service function to another entity, funded by MVOA. Stephanie Fanos explained that the current status, the short-term goal, is being operated as usual by Town of Mountain Village and funded by MVOA. The two proposals to be looked at are dealing with the mid-term goal, which spans from September 1, 2007 to September 1, 2008. The long-term goal after that is yet to be decided.

Paul Garnett described the background to the proposals. MVOA had a meeting with MTI and TSG on July 2, 2007 to determine the time span for the mid-term goal and all attendants agreed on a 1 year term. As Stephanie Fanos mentioned, the long-term goal is yet to be determined and should include what the future purpose of Guest Services should be. President Sweet also added that MVOA wants to find the best economical solution for Guest Services, without losing any of its strengths, basically; how can Guest Services be run in a more efficient way?

Elizabeth Howe, Guest Services Director at TSG (Telluride Ski & Golf Co.), started by presenting the TSG proposal. TSG has spoken with MTI regarding the proposal and wants to have a regional Guest Service effort without duplication of efforts. The current proposal involves TSG being scooped up into the MTI proposal. Both entities have agreed on the most efficient way is to have TSG staff front line positions and provide services as parking cars, driving trolleys and providing general information about the area etc. The major benefit for MVOA in this case would be savings in labor costs. TSG strives to create a culture of Guest Service both on the ski mountain and within the community and TSG's focus is on the operational side. The current duties for Mountain Village Guest Service staff coordinate exactly with the on-mountain duties of TSG Guest Service staff.

President Sweet mentioned that MVOA spent about \$425,000 last year on funds for Guest Services and is on track to spend about \$350,000 this year. There was a short discussion about what the actual savings for MVOA would be by combining the proposals from MTI and TSG. Ms. Howe pointed out that with the figures presented in the TSG proposal, MVOA can spend the same money as last year, but expanding the Guest Services to provide trolleys in the summertime as well.

VII. Discussion/Action: MTI Guest Services Proposal

Scott McQuade, CEO of Telluride Tourism Board (MTI), continued with MTI's proposal. Mr. McQuade mentioned that both proposals have benefits and MTI would like Guest Services to be part of a joint proposal. This way it would be run much more efficiently and allow both entities (MTI and TSG) to really use their individual strengths in working together towards a common goal. MTI's focus is to create a community awareness of Guest Service, where everyone in the community is working toward increasing tourism in Telluride/Mountain Village. MTI is very involved with employee training etc. to ensure this.

A discussion followed regarding some confusion of the two proposals. President Sweet clarified that the proposal is a working project and that the proposal involves MTI overseeing Guest Services with TSG subcontracted by MTI to run the operations. During public comment Penelope Gleason of BootDoctors asked what the exact scope of work for Guest Services is going to be. President Sweet replied that the goal is to continue the current scope of work for Guest Services, but to run it more efficiently. Ms. Gleason would like to see a written scope of work. The other concern she brought up was how transparent the MVOA/Guest Services will be, will the public be able to have insight in how the funded money towards Guest Services is spent? Ms. Gleason was also concerned if there would be any conflict of interest with TSG running Guest Services. This would mainly apply to Guest Service Agents referring visitors to TSG owned restaurants, activities etc. This was a concern also shared by Peter McGinty from Elevation Vacations. He was concerned regarding TSG's ability to exceed expectations with Guest Services, which is the ultimate goal of Guest Services. President Sweet emphasized that the proposal is for MVOA to contract MTI to oversee Guest Services, and MTI will in turn work with TSG on the day-to-day operations. Mr. McGinty wanted to make sure MVOA cannot decide to only work with TSG, not MTI. President Sweet replied that this is not the intention and that the final contract has to be written in a way to address all concerns from the MVOA members.

Mountain Village resident Richard Childs wanted to make sure that the focus stayed on creating great customer experience and asked how MTI will work with Town of Telluride. Scott McQuade replied that MTI, which operates a Visitor's Center and have its main offices in Telluride, are working on a regional level to implement a community-wide training program. The key component is the big picture. He wants that all employees in a Guest Services profession understand the importance of a versatile Guest Service department with staff who has a lot of knowledge about the area.

Another concern was addressed by resident and Town Council member Bob Delves. He wanted to raise concern for the economic problem in the core due to the road construction. Mr. Delves wanted to make sure MVOA would take into consideration with the proposal on how to spend MVOA funds to steer visitors to the Mountain Village core.

Stephanie Fanos addressed all concerns by emphasizing that the contract would be between MVOA and MTI. There would be transparency on spent funds because all MVOA funding is publically

viewable. With MTI overseeing Guest Services would also diminish the problem with TSG potentially referring visitors to their own restaurants and activities of interest. This would have to be put into the final contract. Stephanie Fanos also asked if TSG would be in breach of their contract if they referred visitors to BootDoctors. Director Manley said no. President Sweet mentioned that one of the potentially biggest problems would be that MTI markets the Telluride/Mountain Village region, including the county, versus Mountain Village only. This would be something to juggle and put into the contract. MTI replied that they want to ensure that all Guest Service Agents are adequately trained and can provide answers regarding Mountain Village, and the region. Scott McQuade mentioned that MTI in 99% of their visitor questions referred visitors to take a ride on the gondola and see Mountain Village. They also work hard on converting day visitors from the region into over-night visitors.

President Sweet made a **MOTION** for MVOA to budget up to \$425,000 for MTI to work with TSG to provide Guest Services solution from September 1, 2007 to September 1, 2008 that addresses conflicts and addresses everyone's needs. Director Franzese seconded the motion. Stephanie Fanos added that MTI would have to present a final summary of the contract, budget and scope of work at the next Board meeting on August 15, 2007. Paul Garnett asked if the proposal should start on September 1, 2007 or October 1, 2007. Stephanie Fanos replied that October 1 would make more sense at this time. President Sweet requested that his motion would be amended to October 1 instead of September 1, 2007. President Sweet also added a request that MTI and TSG would work according to an efficient budget. The Board agreed unanimously on the motion.

On a side note, President Sweet asked Paul Garnett to send a thank you letter to Glenn Alba for his service on the MVOA Board.

IX. Discussion: Construction Impacts

Stephanie Fanos initiated the discussion by informing all attendants that on a request by Town Council member Bob Delves, MVOA put together a meeting of tenants and merchants in the core who are impacted by the construction and future construction. The meeting had a tremendous turnout and resulted in a very good discussion. The meeting also made it clear that a second follow-up meeting is needed and will be scheduled in a couple of weeks. Director Franzese agreed that there was a good discussion and that everyone is on the same page. It made it clear that all merchants in the core have to change the way they do business.

Stephanie Fanos said that the ongoing road construction has forced lodgers in the core to lower their rates, which is a necessity for them; however it is not a good situation. It forces everyone to think outside the box. Ms. Fanos suggested that MVOA would contact the construction companies that are working in the village and let them know that we want them to help sponsor events to get visitors to Mountain Village. Linda Cook could possibly work with MVOA and town on communication with the contractors.

President Sweet indicated that American National Bank is already sponsoring the Concert Series. Mr. Sweet asked if it would be more preferable for MVOA to contact the contractors rather than the town. Stephanie Fanos suggested that MVOA and town would work together as one when contacting the construction companies. This way they might understand that it is a very serious situation. It would also show them that since the request is coming from a governing body, they would have to comply with permits and contracts in the future.

Bob Delves agreed and added that the town would have to be stronger in the future when approving building permits. This way, different clauses can be put in the contracts that "forces" construction companies to work with local businesses, especially restaurants for lunch for their employees. This has been successful in other ski resorts, such as Aspen.

Director Karow agreed that it is in MVOA's best interest to work with developers on future construction mitigation, since MVOA has a lot to benefit with expected RETA payments. Mountain Village resident Richard Childs urged everyone to look at the big picture; rather than making big

efforts to get people to Mountain Village, who might not spend any money when they are here, why not look at tax breaks and such for merchants.

Director Franzese mentioned that if there is a crucial time for MVOA and both towns; Telluride and Mountain Village, to work together, this is it. Mr. Franzese suggested that we should come up with regional solutions to already existing events, for example Bluegrass and the Bob Dylan concert. If we already know that visitors are going to come, what else can we do as towns to make them stay a day or two longer? A short discussion followed with similar suggestions, all attendants agreed that the governing bodies in the area must work together on this situation. President Sweet thought that MVOA should establish a task force for business survival. Stephanie Fanos suggested that MVOA would continue to be the lead force in this effort and schedule another meeting regarding the construction impact in a couple of weeks.

X. Discussion: Master Planning

Stephanie Fanos has looked into different options for MVOA and town to get some help in addressing its current needs and design a plan for the future. Ms. Fanos suggested that MVOA should retain the services of a resort planning entity, a multidisciplinary practice under one umbrella for physical, economical and strategic planning. Ms. Fanos has spoken to Town Council member Bob Delves about this idea and got positive feedback. The company recommended by Stephanie Fanos is the SE Group, formerly known as Snow Engineering, and the recommendation from Ms. Fanos is that MVOA would consider a contract with the SE Group to determine a course of action cooperatively with the town, a plan that would be most efficient for the community. This would have to be an ongoing process and phases have to be established in the scope of work description.

President Sweet asked what the associated costs would be for this contract. Stephanie Fanos replied that the cost would depend on the scope of work. Director Karow wanted to know what the deliverables would be. Ms. Fanos explained that the deliverables would be decided by MVOA. If compared with the EPS model presented by the town, a model like that has a lot of information in it, but no analysis of the information. Ms. Fanos also finds it important to use a nationally recognized company like the SE Group for this task. Director Karow mentioned that it would be important for the town as well to find this task resourceful. Bob Delves agreed and mentioned that on a past town meeting, many Mountain Village residents expressed concern on the lack of a definite plan for the Town of Mountain Village.

The goal for Town of Mountain Village is to inform the public of what planning currently exists and how the process can be improved. Bob Delves also mentioned that the town needs to do strategic thinking, it is good to have someone else (like a consulting company) look at what has been done in the past. If it does not make sense for the future, it can be changed. Mr. Delves also wanted to emphasize the areas to look closer at, such as transportation, recreation, housing and interaction between town and the ski company.

President Sweet mentioned that the deliverables have to be talked about and include discussions about Quality of Life. There needs to be a plan to achieve Quality of Life in the community, with streets, neighborhoods etc. In this process we need to look at the density planning, does it make sense as it is right now?

Director Karow was concerned about the fact that the town's map is a product of PUD from over a decade ago and it has not been updated or modified since then. The plan is long overdue for adjustments and we should continue to update a comprehensive plan every five years. Director Karow felt that this is a municipality issue and therefore the town should be the leading force, even if MVOA would help fund it. Mr. Karow thought that town and MVOA need a comprehensive land use plan and economic analysis to know where we are going in the next 20 years.

Stephanie Fanos credited Bob Delves for his involvement and cooperation in this topic. Director Karow made a **MOTION**, seconded by President Sweet, that town and MVOA should have a comprehensive plan, a land use plan, to be a governing document for the Town of Mountain Village by

the end of 2008. Stephanie Fanos indicated that this time-line cannot be guaranteed in a motion, since the town has to be involved as well. Director Karow mentioned that he would still like to make a motion that the goal is to have the plan by 2008. Director Karow amended the motion as mentioned and added that it is vital for MVOA and town to have a consultant look at the existing conditions and help with the immediate issues, but also to create a baseline to work towards a long-term goal. Director Franzese seconded the amended motion.

Bob Delves promised to be a part of this effort along with Town Manager Greg Sparks. President Sweet urged the Board to schedule the motion for the next Board meeting, August 15, 2007, and in the meantime give Stephanie Fanos direction to move forward with the plan to engage a company to establish a baseline. Director Karow withdrew his motion for one month and agreed with proceeding on retaining a company. This discussion will be an agenda item at the MVOA Board meeting on Wednesday August 1, 2007.

VIII. Discussion/Action: Investment Policy and Banking/Investment RFP's

The background to this agenda item is that there has not been an investment policy for MVOA in the past. Currently, MVOA only has checking and investment accounts and have been defaulted to a municipal policy. This policy has not been looked at for a long time and should be updated and amended to suit MVOA.

Director Karow made a **MOTION** to accept the policy as written, seconded by Director Stone. The Board unanimously accepted the motion to adopt the investment policy. Stephanie Fanos suggested that the Board should direct two staff members to develop two RFP's, one for local banking services and the other for investment services. Ms. Fanos suggested Paul Garnett and Richard Betts (the latter from ASAP Accounting) to do so. Director Stone made a **MOTION** to develop two RFP's and put them out to get bids, the motion was seconded by Director Franzese. The Board agreed unanimously to this motion.

XI. Other Business

Under this agenda item it was determined that MVOA needs to reappoint and/or appoint two people for the economic model team. Director Franzese suggested that one of the new people should come from the commercial membership to give a different viewpoint than TSG, preferably to have three people; two from TSG and one from the commercial category.

Stephanie Fanos added some background to this issue. The development of this model was supposed to be funded by the town and Telski (TSG), however at a joint meeting it was decided that MVOA was to pay for it all. President Sweet mentioned that he would have no problem to add Director Franzese to the economic model task force, in addition to Directors Manley and Stone.

XII. Adjournment

President Sweet adjourned the MVOA Board meeting at 1:41 p.m.

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS
MOUNTAIN VILLAGE OWNERS ASSOCIATION
AUGUST 15, 2007

MEMBERS PRESENT: Jonathan Sweet, Andrew Karow, Mark Manley, Dave Riley, Bob Franzese.

MEMBERS ABSENT: Jeff Proteau.

STAFF PRESENT: Paul Garnett, Jenny Carlson, Stephanie Fanos (legal counsel), Michael DeLeon, Kate Danaher, Jim Riley.

OTHERS PRESENT: Richard Betts (ASAP), Erin Sweet Neer (Town of Mountain Village), Diane Carey, (MTI), Scott McQuade (MTI).

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I. Call To Order – President Sweet called the Board of Directors meeting to order on Wednesday August 15, 2007 at 9:10 a.m.

II. Reading and Approval of the Minutes of the Regular Meeting of July 18, 2007

Legal Counsel Stephanie Fanos requested to have this agenda item deferred to the next meeting on September 19, 2007 in order for everyone to have enough time to review the minutes from the last meeting. Director Manley made a **MOTION** to have the approval of the minutes from July 18, 2007 deferred to the September 19, 2007 meeting. The motion was seconded by Director Franzese.

III. Executive Session Pursuant to C.R.S. Section 38-33.3-308 Pertaining to Receiving Advice from Counsel on Personnel Matters

Director Sweet called the Executive Session to order at 9:15 a.m. for the purpose of discussing MVOA personnel matters. The Board returned to public session at 10:45 a.m.

IV. Director's Report and Staff Reports

The meeting continued with the Director's Report at 10:50 a.m.

Acting Executive Director Paul Garnett told the Board that the MVOA server is set up and running in the MVOA office. MVOA had recently put the scanner search on hold, but that task will now resume. MVOA staff and the Telluride Foundation are currently receiving grant applications for 2008. The staff will work with the MVOA Board, MTI and Town Council to coordinate the Mountain Village Conference and Event Review Board (MVCERB) for this year's review process.

The ability for MVOA to take credit card payments is set up and MVOA is ready to move forward with the implementation of this capability on the website. One question that was brought up was who should be designated as a signatory on behalf of MVOA for credit card payments. To get this process going, Michael DeLeon signed as personal guarantor for MVOA's website payment system. Stephanie Fanos mentioned that since MVOA has an EIN, that should work as credit information. Ms. Fanos requested that Director Karow work with Michael DeLeon to get this issue squared away. Director Karow agreed.

Paul Garnett informed the Board that the Welcome Kit calendar book was sent to new owners as of January 1, 2007. Director Karow was interested in the cost for these packets. Michael DeLeon reported that the cost per calendar for the booklet alone was \$17. The calendars are set up so that seasonal updates can be distributed without sending the entire calendar book again, which will

decrease future costs. President Sweet requested that the distribution of the calendar book to all home owners, not just new ones, should be added as an agenda item sometime this fall.

All mail ballots for the August 24, 2007 MVOA election were sent out on August 8, 2007. The mail ballots are due back to MVOA by 5.00 p.m. on Thursday August 23, 2007. Paul Garnett and President Sweet concluded the Director's Report by thanking all staff for their help with mailings and verification of databases etc.

Director Manley also thanked Kate Danaher for a fantastic Full Tilt event. This year's edition saw both operational as well as participant growth compared to previous years. President Sweet asked how the ticket sales for the Telluride Festival of the Arts are progressing. Michael DeLeon said that the festival has sold over \$13,000 in presale tickets so far and the expectation is to sell out for almost all ticketed events. One trend that has been noticed is that participants are increasingly from out of the area, which is great. That means that they are also spending money on lodging, restaurants etc.

VI. Discussion/Action: Gondola Advertising

Michael DeLeon reported on the gondola advertising campaign, designed to promote gondola usage to hopefully stimulate pedestrian traffic in the Mountain Village core. The gondola campaign focuses on the following benefits; ride the gondola because it's green, avoid sitting in traffic, access merchants in Mountain Village core and save on gas. The total cost for the ad campaign is estimated to be \$6560.60. The gondola ads would be printed twice a week, alternating between both local papers for a total of six weeks, starting on September 4, 2007. President Sweet said that the road construction projects are contributing to an increased ridership of the gondola and it might be a good idea to have the ads focus on the construction. Michael DeLeon said that the ads should focus on the positive reasons for people to get to Mountain Village and not so much to remind everyone of the construction. Director Franzese mentioned that it might be good to delay the ads to run just in time for the gondola to re-open after the off-season and Michael DeLeon agreed.

VII. Banking/Investment RFP's

President Sweet asked what the progress on RFP's from ASAP is. Paul Garnett replied that the RFP's will be provided to the Board at September's meeting.

VIII. Discussion: MVOA Annual Meeting

President Sweet reminded all attendees that the MVOA Annual Meeting is scheduled for Friday August 24, 2007 at 11:00 a.m. at the Telluride Mountain Village Conference Center. A luncheon will be served following the meeting at about 12:30 p.m.

Stephanie Fanos reminded the Board that an agenda has to be produced and approved prior to the meeting. President Sweet said that some of the agenda items should be approval of last year's minutes and updates on requests made at last year's meeting. Director Karow also added that it would be a good idea to have a Q&A session with feedback and questions from all members. Stephanie Fanos confirmed that such a session will happen. Director Karow asked if the meeting should start with the current Board in place, followed by the announcement of the newly elected Board and ending with the new Board. Stephanie Fanos confirmed this and also suggested a short meeting after the annual meeting's adjournment to appoint Board officers.

IX. Other Business

Gus Jarvis of the Daily Planet asked what the status is on MVOA funding of the parking structure in Mountain Village. President Sweet replied that MVOA has not yet received a request for funding of that project. Stephanie Fanos wanted to confirm that the September Board meeting is

on the 19th. Director Franzese asked if he could review a sample of the mail ballot for the election and was handed a copy. Stephanie Fanos mentioned that all mail ballots were sent out on August 8, 2007 and should have been received by all members at the time of the meeting.

X. Discussion/Action: Contract with MTI to provide Guest Services

President Sweet asked if MTI and Scott McQuade had been able to fine tune their Guest Services proposal to see if there is any way on cutting back on the numbers presented. Scott McQuade said that the new proposal is for \$589,000/year. President Sweet asked if MTI can justify the budget as to why the cost would change from the current \$425,000/year to \$589,000. Scott McQuade discussed that the proposal includes MTI utilizing every possible Guest Service station and hiring more staff. President Sweet asked MTI to look over their proposal and made a **MOTION** to recess the meeting at 11:45 a.m. Director Franzese seconded.

The Board meeting was reconvened at 12:10 p.m.

Scott McQuade reported that without taking crucial staff off the ground, the proposal can be reduced to \$502,000/year, a reduction of \$87,000. Director Franzese asked if MTI has settled on a priority yet. Scott McQuade said that the positions that are left are all considered priority, however the most important positions will be the ones which are the first point of contact with the guests, for example the Gate House. Mr. McQuade is hopeful that after this year Mountain Village will have a fully functioning parking structure, because the goal is to catch guests when they arrive, point them in the right direction for parking and getting them into the core of Mountain Village as soon as possible. Director Franzese asked if TSG also agreed on these priorities. TSG agreed that by giving guests a great first point of contact, many guest problems can be avoided.

President Sweet asked how often MTI should provide reports to MVOA. Stephanie Fanos suggested that reports should be provided on at least a monthly basis. President Sweet suggested that MTI would give a report to MVOA once a month. Director Franzese made a **MOTION** to approve the \$502,000 funding to MTI to provide Guest Services. The motion was seconded by President Sweet.

XI. Adjournment

President Sweet adjourned the Board meeting at 1:05 p.m.

**MINUTES OF THE SPECIAL MEETING OF
THE BOARD OF DIRECTORS
TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION
AUGUST 24, 2007**

MEMBERS PRESENT: Jonathan Sweet, Mike Wisniewski, Jeff Proteau, Mark Manley, Dave Riley, Eric Sather.

MEMBERS ABSENT: Mike Perkins.

STAFF PRESENT: Paul Garnett, Jenny Carlson, Stephanie Fanos (legal counsel), Michael DeLeon, Kate Danaher, Jim Riley.

I. Election of New Officers

President Sweet called the meeting of new Board members to order at 12:41 p.m.

Director Riley made a **MOTION** to defer the appointing of officers to a special meeting at a later date. The motion was seconded by Director Manley.

II. New Business

Director Eric Sather introduced himself to the Board. He is currently the General Manager of the Peaks. His focus for TMVOA is affordable housing, marketing of Mountain Village and maintaining quality of life in the Mountain Village.

Director Dave Riley of Telski mentioned that he feels it is important to collaborate with the Town of Mountain Village.

Director Mike Wisniewski introduced himself as a full-time resident since 2006, however he has been a landowner in Mountain Village since 2003. His main focus is to help the Board as an advocate. Mr. Wisniewski also wanted to add to the public comment made earlier and agree that the current road construction is affecting quality of life.

President Sweet thanked the new Board members for their presentation.

Director Wisniewski made a **MOTION** to adjourn the meeting. The motion was seconded by Director Manley.

President Sweet adjourned the meeting at 12:45 p.m.

MINUTES OF THE SPECIAL MEETING OF
TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION
AUGUST 31, 2007

BOARD MEMBERS PRESENT: Jonathan Sweet, Eric Sather, Mike Wisniewski, Mark Manley, Dave Riley, Jeff Proteau.

BOARD MEMBERS ABSENT: Mike Perkins.

STAFF PRESENT: Paul Garnett, Jenny Carlson, Stephanie Fanos (legal counsel), Michael DeLeon, Jim Riley, Amy Palamar.

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I. Call To Order

President Sweet called the special meeting to order at 8:10 a.m. He started off by thanking Jenny Carlson, who's last day was today, for her service with MVOA, now TMVOA.

II. Election of Officers

President Sweet said that with the expiration of his one-year term as President, he feels he has accomplished a lot and that TMVOA is in a great position to move forward. With that said, President Sweet expressed that he is not interested in being nominated for another term.

Stephanie Fanos reviewed the TMVOA governing documents and informed the Board that the officers needing to be elected are President, Vice President and Secretary.

Director Proteau thanked President Sweet for his service as the Board President and nominated Mike Wisniewski as the new Board President. President Sweet seconded that nomination. Director Wisniewski was unanimously elected as the new Board President.

President Sweet asked for a nomination for Secretary. Currently Director Manley holds that position. Director Manley nominated Dave Riley. Director Sather seconded the nomination and Director Riley was unanimously elected Board Secretary.

Mike Wisniewski mentioned that he will need some help in his Presidency and nominated Jonathan Sweet as Vice President. Director Proteau seconded the nomination as long as Director Sweet agreed with the nomination, which he did. Director Sweet was unanimously elected as Board Vice President.

III. Other Business

Director Sweet thanked Michael DeLeon, Jim Riley and Kate Danaher for accepting their positions at TMVOA and then passed the torch to President Wisniewski.

President Wisniewski mentioned that he has a strong background in land planning and economic development and said he is looking forward to working together with the Board and staff. President Wisniewski suggested adding a communications consultant and asked the Board if they would like to authorize Stephanie Fanos to help with the search and in obtaining bids. Director Sweet asked if there was a budget for this yet. President Wisniewski said that there is not a budget yet, however he would like to start the process of getting bids and bringing a final contract for approval to the Board. Director Proteau asked if the communications consultant would be separate from the planning consultant that the Board will be hiring. President Wisniewski confirmed this and added that his goal would be for the communications consultant to work closely, if not

directly, with Michael DeLeon. Director Riley agreed with President Wisniewski and suggested that the Board would authorize \$35,000 to start the work.

Director Sweet asked for a motion. Director Riley made a **MOTION** that TMVOA authorize Stephanie Fanos to work with and select a communications firm with up to \$35,000 to start the work. Director Sweet seconded the motion and expressed a wish that the consultant would use the expertise of Michael DeLeon. President Wisniewski asked for any other discussion and agreed with Director Riley that \$35,000 would start the process. Stephanie Fanos mentioned that her goal would be to have a possible candidate and amount ready for presentation at the September 19 TMVOA meeting.

IV. Adjournment

Director Sweet made a **MOTION** to adjourn the meeting. The motion was seconded by Director Manley.

President Wisniewski adjourned the meeting at 8:25 a.m.

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS
MOUNTAIN VILLAGE OWNERS ASSOCIATION
SEPTEMBER 19, 2007**

MEMBERS PRESENT: Mike Wisniewski, Jeff Proteau , Mark Manley, Dave Riley, Eric Sather, Mike Perkins.

MEMBERS ABSENT: Jonathan Sweet

STAFF PRESENT: Paul Garnett, Amy Palamar, Stephanie Fanos (legal counsel), Michael DeLeon, Kate Danaher, Jim Riley, Lucy Woods, Matt DeLawder.

OTHERS PRESENT: R. Child, S. Treacy, Shirley Greve (SMRHA), Roy Conovitz (TCTV), Genny Planoudon (TCTV), Barbara Newby (TCTV), Bob Delves (Town of Mountain Village), Scott McQuade (MTI), John Adler.

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- I. **Call To Order** – President Wisiewski call the Board of Directors meeting on Wednesday September 19, 2007 to order at 9:01 a.m.
- II. **Reading and Approval of the Minutes of the Regular Meeting on July 18, 2007**
- III. **Reading and Approval of the Minutes of the Regular Meeting on August 15, 2007**
- IV. **Reading and Approval of the Minutes of the Special Meeting on August 24, 2007**
- V. **Reading and Approval of the Minutes of the Special Meeting on August 31, 2007**

President Mike Wisiewski asked if anyone had comments or changes to the minutes for all four dates. Everyone approved- Director Wisiewski made a **MOTION** to approve the minutes from July 18, 2007, August 15, 2007, August 24, 2007 and August 31, 2007. The motion was seconded by Director Sather.

VI. Director's Report and Staff Reports

Acting Executive Director Paul Garnett informed the Board that the TMOVA office is now capable of scanning documents and will shortly be able to scan RETA documents and have them available electronically. Paul informed the Board that Jenny Carlson, Kate Danaher, and Michael DeLeon will no longer be with TMVOA and expressed thanks to the employees. TMVOA staff is still receiving and processing grant applications for 2008.

Overall, the Telluride Festival of the Arts was a wonderful festival and all employees were happy with the outcome. Paul mentioned that the festival was run entirely in house by TMOVA employees and they did a fantastic job. A larger budget was discussed, but they came to the conclusion that a larger budget was not needed for next year's TFA. Director Wisiewski questioned as to whether the artisans were satisfied with the art show? Overall, the feedback from the artists was positive and everyone appreciated the level of the work. Cherry Creek is interested in returning next year.

The Farmer's Markets received great feedback this year and is to continue all summer 2008; the market has plans of adding approximately twenty more booths.

Using UCI for Full Tilt Results, Michael mentioned that the event is attracting young ski racers and their families.

Sunset Concert Series was best it has ever been this year, although more money is need to book better bands. The stage needs to be replaced due to its lack of weather proof; the cost of new stages is approximately \$60,000. If replaced the old stage would still be of use. Stephanie Fanos asked how the TMOVA staff measures the success of the Sunset Concert Series. Kate responded in saying that the police keep record of the amount of people attending, there have been more phone calls in the office concerning the concerts, as well increase in bookings with the Mountain Lodge. The staff plans on getting feedback from the businesses around the event. Director Riley asked how much the summer event cost, the staff confirmed around \$65,000. Jim is to work on spreadsheet of return, which is due in next two weeks before budget meeting. Questions as to who picks the bands for the series were brought up, suggested that maybe there should be more music variety.

Side Note: Board requested a side table with chairs for those who want to address board in meeting.

VII. Discussion: Shirley Greve introduction and discussion about the Lot C acquisition

Shirley Greve from the San Miguel Regional Housing Authority stated that she is currently in the budget process for 2008 and focusing on what needs to be done for the region. She wants to know if she should communicate with owners who need caretakers, would like TMOVA to help her with these contacts. Greve answered questions in regards to LOT C and informed the Board that the Regional Housing Authority would only come into the picture after the property becomes deed restricted. Stephanie Fanos asked if the agency was involved in a discussion with the county in terms of land use code changes. Greve did not give a definite answer. President Wisniewski wants to set up a meeting to talk about affordable housing at a later date. Director Riley asked if they have completed recent supply and demand analysis. Shirley responded that they were seven months behind and that is has been a work in progress.

Greve finished discussion with statement that the Regional Housing Authority will remain removed from working with LOT C because it is zoned industrial- once they receive zoning approval then can input deed restriction. Greve stated that price capping LOT C would be her recommendation to create a market for affordable housing for area employees. Need a price cap or no affordable housing. Fanos suggested that there be a second draft in regards to LOT C.

VI. Discussion/Action: TASP Lot 50/51 Space- Courtney Stuecheli

Courtney Stuecheli from the Telluride Adaptive Sports Program presented the board with the option of allowing them to purchase the space they are currently leasing. The current space they are leasing is Lot 50/51, which is 1700 sq. ft. and in the process of being finished. The non-profit will not be able to afford to finish the space without a purchase/lease agreement. TASP wants TMOVA to allow a purchase agreement rather than a lease agreement with beliefs that ownership would be a much cleaner agreement. Also, fundraising becomes difficult when having to pay rent. Stephanie Fanos agreed that fundraising is difficult for a non-profit and asked that Stuecheli make sure all legal agreements are in order in terms of title. The Board also needed a commitment that 1700 sq. ft. is the correct square footage.

President Wisniewski affirms that TMOVA will work with TASP attorneys to review documents and make sure the transition is ok. Mike Wisniewski makes motion to allow TASP to purchase Lot 50/51 after all documents have been reviewed. Mike Perkins seconds motion.

VII. Discussion/Action: Telluride Community TV (TCTV)- Roy Conovitz

Roy Conovitz came to the meeting on behalf of TCTV to thank the Telluride Mountain Village Owner's Association for their support. He brought a DVD that highlights what the television station has been doing with the funds that were given to them. The DVD player did not want to work.

VIII. Other Business

President Wisniewski stated that based on the recent Board Retreat, there seems to be a changing culture within the TMOVA to take advocate roll as representatives of TMOVA members.

The Child Care Task Force has asked that one of the TMVOA Board members sit on their board and help with work in child care. President Wisniewski asked if any members would be interested. Director Sather nominated himself. Director Proteau nominated Eric Sather as a member of the Child Care Task Force board.

President Wisniewski stated that with the election in November, he believes that the TMOVA needs to draft a letter to the Town Clerk in regards to the 161CR project and ask that no votes be counted until close. He believes that counting ballots ten days before the close of the election is not a good idea. Wisniewski asked that Fanos draft a letter to express this concern.

Director Proteau asked what exactly the content of the letter will be. Wisniewski responded, “TMOVA supports and urges development of 161 with in development standards. But (TMOVA) does not support development of a recreation center in terms of how 161 is written.” Director Riley suggested that TMOVA may want to address more than just the recreation center in the letter. Director Proteau would like to educate members on the subject.

There was an overall board concern about architectural structure of proposed project 161; they want to know if the design will bring economic vitality. The need of a facility like the Peaks Hotel to assure business was discussed and related to the current condition of the Conference Center, which is in deficit. Director Riley suggested that TMVOA should ask to see how much it would be to purchase property 161?

Director Manley stated that the developer is not looking at what the community of Mountain Village needs; they need to act like a long term member of the community. Director Riley suggested that TMOVA contact the developer and asks to work with them in best interests of the community.

President Wiskniwski stated that members raised concern about a design review board. Delves mentioned that the Town of Mountain Village is dependent on building to fund itself. He suggested that the Town needs to figure out their relationship with TMOVA and make an agreement. Director Riley reiterated the idea of the Master Plan.

Board confirmed that the next meeting will be held on October 17, 2007. The Board also set the budget meeting November 30, 2007 and would like an event planned for the members.

XI. Adjournment

President Wisniewski adjourned the Board meeting at 11:30 a.m.

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS
MOUNTAIN VILLAGE OWNERS ASSOCIATION
OCTOBER 17, 2007**

MEMBERS PRESENT: Mike Wisniewski, Jeff Proteau, Mark Manley, Dave Riley, Eric Sather, Jonathon Sweet (phone)

MEMBERS EXCUSED: Mike Perkins

STAFF PRESENT: Brianne Hovey (ASAP), Amy Palamar, Stephanie Fanos (legal counsel), Jim Riley, Lucy Woods, Matt DeLawder.

OTHERS PRESENT: Dan Garner (MV town council), Kris Holstrom (New Community Coalition), M. Beauden (Daily Planet), Andrew Karow (Alpine Bank), Steve Treacy (THPI), Annie Pizy (KOTO), Greg Sparks (MV town manager), Jonathon Greenspan

I. Call To Order – President Wisniewski called the Board of Directors meeting on Wednesday, October 17, 2007 to order at 9:08 a.m.

II. Operations Report- Mike Wisniewski and Staff

President Wisniewski stated that he would like to know if there are any questions. Director Proteau asked Jim Riley how the grants are chosen. Riley answered his question by stating that there is a grant board and they are still going through the process. **President Wisniewski made motion to proceed with the meeting, Director Sweet seconds.**

III. The New Community Coalition Request- Kris Holstrom

Kris Holstrom stated that the New Community Coalition program provides regional stability for the community, but she believes that the involvement of second homeowners on the coalition board would be positive. She would like to create more of a working relationship with the Mountain Village. President Wisniewski stated that Director Perkins expressed interest in the New Community Coalition and would be pleased to participate. He will give his contact information to Holstrom when he returns from vacation. Director Riley wanted to know how often the meetings take place, Holstrom confirmed that the meetings are held once a month and the next one is November 2, 2007. Holstrom thanked the TMVOA board.

IV. Gondola Budget Discussion –Erin Neer

Neer stated that on the major repairs and systems fund, there needs to be a reserve system. Director Riley responded by saying that there is nothing in the contract about the reserve. President Wisniewski agreed with Riley, confirming that he has read through the contract and found the words “operation” but nothing about a capital reserve. There may be some agreement about building the gondola to some capacity but he needs to see it. Director Sweet stated that it was suggested that the board look into a replacement fund, but this was only suggested. Director David Riley confirmed that there is no agreement for replacement, there may be a responsibility to help build the gondola out, but the TMVOA board needs to discuss with town council when the gondola goes beyond the TMVOA agreement; suggested that it might be responsible to get a third party review.

Stephanie Fanos stated that the agreements that are in place authorize the town to operate the gondola, the town owns asset and in order to bid out operations you would have to go and amend agreements with the county or town.

Director Proteau asked what the leg capacity of the gondola is, 700 lbs to 1200 lbs was the answer given. Neer said that there are some capacity requirements within the agreement; they need 21 cabins by certain dates. Fanos responded that, the agreement in which she was addressing was with Telski. Neer continued and stated that they would need additional labor costs and repairs as well as five new gondola cabins. Director Proteau asked how many more employees would be needed if five more gondola cabins were added. Response was if you add one more cabin to the 2nd line they would need eight more employees. Director Manley asked how we would decide where to put the cars, if we had to pick a leg of the gondola. Director Riley questioned, if we put all the gondolas on the main line, would we still need to hire more employees. A member of the audience stated that we will have to hire more people at some point.

It was recommended that seven new cabins were added to the gondola. Director Riley mentioned that gondola operators are paid \$11 an hour with a \$1 bonus at the end of the season. The Mountain Village wants to raise this to \$13 an hour, however most ski areas don't provide an end of the season bonus. He questioned the wages of gondola employees, stating that many ski areas pay less. Greg Sparks responded by saying that there has been constant search for gondola operators, currently employees are coming in from all over the area, including New Mexico. By paying them \$11-12 an hour, they are not filling the slots, he is not looking to add costs to the gondola but he needs a seasonal staff. Director Riley responded that his point is that it is excessive, we hire 70 people and it is increasing the budget. Greg Sparks mentioned that a gondola operator's job is comparable to that of a bus driver, rather than a ski lift operator and Town of Telluride bus drivers get paid \$14 an hour. Sparks continued by saying that he doesn't know what to do. President Wisniewski asked that they submit an updated gondola budget assuming the gondola wages stay at \$11 an hour.

Neer stated that if they are going to order new cabins they need to get the approval, so they can order them in November. Director Riley asked for an explanation as to why more cabins were need. Gondola employees stated that during peak times of the year there are very long lines.

Neer's overall summary was that \$3.487 million is needed for funding for 2007. President Wisniewski said that TMVOA responsibility is to pay operations and repairs and that he needs a better estimated fund as to the allocation of funds. Mr. Garner stated that the same conversation was discussed at the MV budget meeting, it is difficult to pin point where all costs are going in our business. President Wisniewski said that he doesn't think that you have the legal basis to request those funds from TMVOA. He requested that they provide a modification of the budget, with true understandings of overhead costs.

Questions about Director Riley's proposal to drop wages were addressed. An audience member confirmed that there is not one job in the newspaper for \$8-10 an hour and there is no benefit to secure jobs if the wage is dropped, it would just increase turnover. Director Riley stated that the job also comes with a benefit program. Greg Sparks requested something in writing requesting a revised budget. President Wisniewski confirmed that he would get that to him.

V. **Master Plan Discussion- Mike Wisniewski**

President Wisniewski reminded everyone that the Master Plan is not a resort plan, he introduced Emily Mann from Ecosign and Christina Bowen from Johnston Wells. Mr. Greenspan asked if there was a timeline of certain benchmarks and what the procedure would be with the Master Plan. Wisniewski responded that the end date is the second to third quarter of 2008 and he confirmed that Emily Mann will provide a schedule. Mr. Greenspan asked how much the Master Plan would cost the community; Emily confirmed \$85,000 for the first portion of work. Director Riley commented that right now they are going to be working on the data collection process as well as a report of what is in the Mountain Village, what is working and not working and developing solutions.

The Town of Mountain Village requested a copy of the 1st phase of the Master Plan. Director Riley commented that the town will end up with a plan that they will not have to pay for.

VI. Quarterly Transit Report- Chris Colter

Mr. Colter mentioned that he believes that the report stands by itself, so he is present to answer questions. Director Proteau remarked that he would like to get a better handle on how many construction workers park in the parking structure. He wanted to know if there is any way to understand who the parkers are. Mr. Colter responded by saying that without interviewing each person, they can't distinguish where the people work. Stephanie Fanos mentioned that as a constant user of the parking lots she is confident that the majority of parkers are large construction trucks. President Wisniewski added that there may be a way to regulate how long a car parks in the lot, 14 days may be too long. Director Riley asked if there was any way to encourage the construction workers to park on the street. Director Sather followed up by mentioning that he thought it was up to the Construction Mitigation Board to find a solution. For the upcoming ski season there should be first priority to the guest and second priority to the contractors. Director Riley asked if Ecosign would help to provide a parking plan, Emily Mann confirmed that a parking plan is in the first phase.

Scott McQuade from MTI raised the issue that the trolley cars seem to be very dangerous, allowing more people to be on the road, etc. He suggested that a Mountain Village find a safe and comprehensive plan. Director Proteau suggested that Ecosign look into this since they are already here. Director Sweet seconded that and suggested that they move on.

Mr. Greenspan commented that the council board has already looked into this and for the past two years the community has said that they don't want to see parking on the side of the street, he agreed that the trolley was a big safety hazard but mentioned that the TMVOA is very late on this whole subject as it needed to be addressed in July or August. Director Riley responded that TMVOA is here to help and provide some ideas.

President Wisniewski made motion that Paul Matthews and Emily Mann work with Stephanie Fanos and Dave Riley to do a short term parking strategy as an extension of the contract, so we can move as promptly as possible, at our expense. Seconded by Jonathon Sweet.

VII. Banking and Investment Policy and RFPs- Mike Wisniewski

President Wisniewski mentioned that TMVOA needs to hire or get information on an investment advisor who will do investing for TMVOA, as well as a bank to do all simple day to day banking. Board member Sweet mentioned that as an employee of US Bank he will not comment on banking but will focus on investment. He wants to tailor an investment policy after investors come in to help.

Wisniewski suggested that it would make sense to send out a proposal to investment advisors to give TMVOA a sense of what a nonprofit similar to size should be investing its funds in. Fanos suggested that TMVOA needs to develop a written policy and procedure in regards to investment of reserves. Director Sweet continued, adding that they need to find someone to profile risk and recommend where and how to invest. Fanos added that a policy is needed before, sending out the proposal. Director Riley asked if the policy that we currently have has been adopted. Answer was no.

Andrew Karow advised the board that they have it right in terms of their direction toward investment. Looking at current policy, he suggested that TMVOA needs to determine a timeline for disbursements and benchmarks. Also fees need to be sorted as an implicit fee or explicit fee, TMVOA needs to simplify their objective and let an investment professional come back with

ideas and examples. President Wisniewski asked how much money should be held in short term earnings. Karow responded, as little as possible. Riley suggested that in order to provide accurate information, they need a one sentence policy with zero risk on capital and maximum return.

President Wisniewski made motion to establish a policy for protectional principal and maximize income on the investment side. Director Mark Manley seconds.

VIII. Board Resolution for Investments Discussion/Action- Stephanie Fanos

Stephanie Fanos confirmed that Piper Jaffery is the investment account; however Piper Jaffery will not communicate with TMVOA until there is a resolution passed that establishes the authorization for certain individuals to communicate with them and manage the investment accounts. Need to designate individuals to authorize communication and authorize management. **President Wisniewski moved that in terms of Piper Jaffery, he nominated that Mike Wisniewski, David Riley, Jonathon Sweet, Brianne Hovey, Hilary Soules, and Richard Betts be contact individuals in accords with the resolution. Jeff Proteau seconds.**

President Wisniewski made a second motion that Mike Wisniewski, David Riley, and Jonathon Sweet are to have full authority to direct and manage the Piper Jaffery account without limitation to withdrawals, trades, and changes to the terms and conditions of the account. Seconded by Director Jeff Proteau.

Stephanie Fanos presented the second resolution regarding the checking account, presently Gary Sutor is a signer and he needs to be removed. **Director Jeff Proteau moved to remove Gary Sutor and add Mike Wisniewski, Jonathon Sweet, David Riley, Richard Betts, Hilary Soules, and Brianne Hovey. Seconded by Mark Manley.**

IX. Construction Materials Use Tax- Mike Wisniewski

Note: Jonathon Sweet left the conversation and would return in 20 minutes

Mayor Delves discussed that the Construction Materials Use Tax is now 1.5%, in Vail and Aspen builders pay more than this and it is basically a deal to build in the Mountain Village. He commented that once the builder pays this tax they are exempt from sales tax, which is 4.5%. The Town of Mountain Village has placed this tax on their ballot, and if voted on would increase to 4.5% . Should this motion pass, the proceeds will be used to pay town debt. The down side of the tax is the increase of cost of Mountain Village building.

Director Riley asked how much money the tax would generate in the first year. Mayor Delves estimated about \$4 million the first year and once the MV is built out approximately \$500,000 a year. Deed restriction building would get a 50% decrease of cost.

Mayor Delves asked TMVOA to support the tax. Director Riley agreed with Mayor Delves and said that this would be an example of the Town of Mountain Village and the Telluride Mountain Village Owner's Association working together. Mayor Delves does not believe that this tax is a short term budget issue but a balancing act.

X. Other Business

Mayor Delves continued with other business, he addressed the wage study that the town conducted, which was a result of their concern that they were paying too much. They hired a consultant who did a comparable national average with other resorts. Mayor Delves agreed with

Colter that the gondola employees are similar to bus drivers , mentioned that he does not want to jack up prices but the town needs to be careful of where they draw the line.

He continued with the gondola contract, saying that there is not guidance in documents as far as how much TMVOA goes in managing and micromanaging. He would like to get together and discuss capital improvements and the contract. If TMVOA does not take care of the capital improvement costs, it will have to come from the tax payers or the gondola will not be able to operate. President Wisniewski suggested again, that they need to meet in terms of the contract.

Discussion followed regarding TMVOA exploring the potential of collecting on a quarterly basis. The online payment option was also addressed. These items will be further addressed at the budget meeting.

XI. Executive Session

XII. Adjournment

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS
TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION
NOVEMBER 14, 2007

MEMBERS PRESENT: Mike Wisniewski (via phone), Jeff Proteau, Richard Child, Dave Riley, Jonathon Sweet

MEMBERS EXCUSED: Eric Sather and Mike Perkins

STAFF PRESENT: Jim Riley, Amy Palamar, Stephanie Fanos (legal counsel), Lucy Woods, Matt DeLawder.

OTHERS PRESENT: Bob Delves (Mt. Village Mayor), Gus Jarvis (Telluride Watch), Scott McQuade (MTI),
Brianna Hovey (ASAP), Richard Betts (ASAP), Tolana Vanek.

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I. Call To Order – Vice President Sweet called the Board of Directors meeting to order on Wednesday November 14, 2007 at 9:08 a.m.

II. Reading and Approval of the Minutes of the Regular Meeting on October 17, 2007

Director Proteau corrected that the leg capacity of the gondola should be people per hour rather than pounds. **Vice President Sweet made motion to approve the meeting minutes with the correction; motion was seconded by Director Proteau and the minutes were unanimously approved.**

Vice President Sweet then welcomed Director Richard Child and informed everyone that a press release would be sent out regarding the changes. He also explained that President Wisniewski would be available via phone.

III. 2008 Board Meeting Schedule- Jonathon Sweet

The Board reviewed the tentative schedule for 2008; Stephanie Fanos suggested that the December 2008 budget meeting be moved forward in order to give extra time for TMVOA and the Town of Mountain Village to converse. They wanted to try and agree on a schedule and give notice of when to book the conference room.

Vice President Sweet moved that the board adopt the 2008 meeting schedule. Director Riley seconded. The 2008 meeting schedule was unanimously adopted.

IV. Discussion of November 30, 2007 Members Budget Meeting- Jonathon Sweet

Stephanie Fanos explained that TMVOA's governing documents require that TMVOA hold a budget meeting in November. The board wanted to incorporate an event with the meeting to entice members to come; to try and have fun at the budget meeting.

Matt DeLawder commented that TMVOA will disburse a \$20 gift certificate to all of the vendors in the Mountain Village to the owners who attend the meeting. TMVOA will then reimburse the vendors for the certificates redeemed. TMVOA is also bringing 100 ski vouchers to the meeting to give away as a thank you. There will be food and non-alcoholic beverages available at the meeting.

Lucy Woods asked if they wanted the meeting to be available online like the board meetings. The board confirmed that they did want it online.

V. **TMVOA Budget Discussion- Richard Betts**

Richard Betts began by stating the background on the current budget, the Town of Mountain Village had prepared the TMVOA budget in the past and then the TMVOA Board adopted the budget. TMOVA wanted to retain the historical data in the budget. The Board also wanted to make the budget easy to understand for the members and the public.

Richard Betts highlighted the summary page of the budget beginning with the Revenue Sources. He stated that currently the Real Estate Transfer Assessment is the largest TMVOA revenue, currently 77%, Monthly Assessments being 11%, Property Management 8%, and Investment Income and Miscellaneous making up the last 4%.

He continued with Operating Expenses, stating that 63% of the costs are Transit-Aerial (the Gondola) and the second largest cost is Management and Administration at 15%. Mr. Betts continued by highlighting the Total Expenses by category. He then explained that TMVOA is projecting \$7.5 million for the 2008 RETA income; however he believes that this number is conservative.

TMVOA has proposed \$782,000 for Management and Administration under the Operating Expenses category, which is lower than 2007. The Transit-Aerial number is the same number as 2007.

He pointed out that the Special Events expenditures have gone up due to the decision to pay the extra gondola expenses and conference center rental fees directly out of the event budget. In previous years these expenses have been coded elsewhere.

Mayor Delves agreed that this was a much better way of handling costs.

Mr. Betts pointed out that TMVOA had added a new category to the Budget, Nonrecurring Expenditures- i.e. gondola repairs and replacements, costs that are not considered yearly.

Stephanie Fanos added that the Gondola Budget has not been adopted yet, it needs to be worked on and addressed in a meeting between the Town of Mountain Village and TMVOA. She wants to schedule this meeting to settle this. Director Riley mentioned that they forecasted the amount of money that was suggested by the Town of Mountain Village in the TMVOA budget, therefore he believes that everything should go smoothly.

Richard Betts confirmed that Guest Services will be run by MTI instead of TMVOA in 2008. He also stated the Projected Net Loss is \$2,700,000, but the RETA numbers are conservative and TMVOA was aware of large expenditure amounts forecasted for 2008. The Projected Working Capital is \$14,000,000 with several amounts that are on reserve for future commitments.

President Wisniewski added that he does not receive payment for his work with the TMOVA and that all personnel sections of the budget will remain confidential. The current budget is on a cash basis but TMVOA will work on a balance sheet to show investments.

VI. **Other Business**

Stephanie Fanos mentioned that the 50/51 expenditure will occur in 2009.

Lucy Woods asked if the board had come to a conclusion regarding HOA billing. The answer was that they are still working on it and it will be discussed at the November Member Budget Meeting.

Mayor Delves commented that TMVOA has achieved a level of clarity and complemented TVMOA regarding the transparency of the proposed budget.

VII. Adjournment

Vice President Sweet adjourned the meeting at 10:30 am.

MINUTES OF THE MEMBERS BUDGET MEETING OF
THE BOARD OF DIRECTORS
TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION
NOVEMBER 30, 2007

BOARD MEMBERS PRESENT: Mike Wisniewski (via phone), Jeff Proteau, Richard Child, Dave Riley, Jonathon Sweet (via phone), Mike Perkins

BOARD MEMBERS EXCUSED: Eric Sather

STAFF PRESENT: Jim Riley, Erin Neer, Stephanie Fanos, Lucy Woods, Matt DeLawder.

OTHERS PRESENT: Brianne Hovey (ASAP), Richard Betts (ASAP), Ron Brumley (Telluride Web TV)

MEMBERS PRESENT: Linda & Frank Bell, Bell Properties, Heather Biggs, Harold Brown, James & Gina Crowell, Bob Delves, Dynamo Properties, William Felicelli, Cheryl Fitzhugh, Anthony Forrest, George Gleason, Peter Granata, Jonathan Greenspan, Kim Hewson, Wally Hewson, Debra & Michael Johnson, Andrew Karow, Shawna Laborde, Scott Leigh, Denise Mitchell, Richard & Anneliese Riebel, Greg Sparks, Eric Thoren, Richard Thorpe, Joseph Thoren, Robert and Annie Vareille- Savath, Vareille – Savath Trust, Dan Witowski, Franz Klammer Lodge, Telluride Mountain Gallery, Penelope Gleason, Valerie Childs, Hillary Muscal

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I. Welcome – Vice President Sweet called the Board of Directors meeting to order on Friday November 30, 2007 at 2:47 pm. He apologized for Michael Wisniewski’s absence and his inability to attend the meeting in person. Mr. Sweet noted that there are over 130 people watching the event online and encouraged those participants to e-mail any questions to Stephanie Fanos. He welcomed Erin Neer as the Chief Operating and Financial Officer. Mr. Sweet stated that in appreciation of attendance today, each member will be given a gift packet which includes a certificate to be spent in Mountain Village this weekend and a ski ticket good for the 07/08 ski season. Mr. Sweet then introduced Richard Betts to present the budget.

II. Presentation of 2008 Proposed Budget- Richard Betts

Richard Betts began by explaining that the budget was prepared by the Finance Committee which consisted of Michael Wisniewski and Dave Reilly. The goals that the Finance Committee set forth were to: retain historical data, create a conservative budget and produce a budget which provides an understanding to its members of what services the TMVOA provides.

The budget has been posted on the website and Mr. Betts provided the website for members to view it.

Revenue Sources

RETA revenues represent the bulk of the revenues for TMVOA. Through the end of October, RETA was approximately \$8.6 million, and the projection for the end of the year is \$9 million. Mr. Betts noted that much discussion with the Finance Committee and members occurred to determine the 2008 budget for RETA, which utilized historical data and is included at a relatively conservative number of \$7.5 million. He pointed out that monthly assessments will have no increase in 2008 and that sales taxes ended in 2006 and therefore is not included in 2007 or 2008. Mr. Betts explained that property management revenues include the revenues from the grocery

store, Blue Mesa space and High Country Shipping. Investment returns are another component of revenues. Total revenues are proposed to be \$9.8 million. Mr. Betts then explained the composition of revenues in a percentile graph.

Operating Expenditures

Management expenditures will be approximately \$782,000.

Mr. Betts explained that aerial transportation is for the gondola and that it is the largest component of expenditures for TMVOA. The proposed 2008 number is the same as the adopted 2007 budget as the Board and Finance Committee are working with the Town to finalize the gondola budget.

Mr. Betts explained that the marketing & communications expense allocations have changed in that management expenses have been reallocated directly to the category for which the employees are working.

He then noted that special events expenditures have nearly doubled from 2007 to 2008 due to the change in how the budget now accounts for monies for gondola and conference center usage in the specific event budgets. These numbers reflect this direct subsidy. The total operating expenses are \$5.3 million. 63% of expenditures are for the gondola. Marketing is 4%, special events expenditures are 18% and management is around 15%.

Capital and non-recurring expenses include grants, capital and other unusual expenses in a separate category so the members understand it is not part of the ongoing operating cycle. The capital improvements number for the gondola is the same number as 2007 as the finance committee will work with the Town to finalize the budget for both this and the contingent gondola budget amount. The bulk of the cost in "other" non-recurring costs in 2007 was for land purchased for affordable housing and also includes grant funding and the master planning process. 57% of total expenditures are the non-recurring or capital expenditures.

Mr. Betts then presented additional detail on the special events portion of the budget, including the amounts that have been added into 2008: the buyer incentives and regional advertising which are focused on stimulating activity in the retail core.

The net surplus before debt service and capital expenditures is \$4.5 million. Out of that surplus, there is \$2.06 million in non-recurring expenditures plus the gondola contingent spending number which then gives us a deficit of \$2.6 million which has been planned for years as part of the long term planning process, for which there are adequate reserves to sustain this deficit.

At the beginning of 2008, the working capital is projected to be \$16 million, with ending reserves of \$14 million. In addition, there are monies earmarked for the Lot 50/51 contribution and the \$4 million for the recreation center. The ending unreserved working capital is \$7 million.

III. Public Input on 2008 Proposed Budget

Member Kim Hewson inquired as to why the expenditures for the TMVOA should increase for special events and why the other organizations do not pay for those costs. Mr. Betts explained that the previous "in kind" contributions for conference center and gondola usage were accounted for differently. The current budget reflects these amounts in each event's direct subsidy line item to accurately reflect the funding provided to each of these organizations. Mr. Betts further explained that there is no true increase in expenditures; rather it is a shift in how this is reported.

Member Rube Felicelli inquired about the detail in the non-recurring expenditures. Mr. Betts presented a detailed schedule of this and explained what these costs entail. Guest services costs are included here since it is an annual contract that may or may not be renewed. The grants are also considered on an annual basis. The master planning process is also included in the 2008 budget. Legal costs for the Le Chamonix lawsuit are included here as well as they will not recur

in future years. Mr. Felicelli further inquired about the detail of what was spent in 2007 for consulting related to the interim Executive Director and related search as well as legal fees. Mr. Betts explained that these costs, as well as the ASAP fees, are included in Management & Administrative rather than in the non-recurring expenditure budget. Mr. Felicelli requested to see this further detail. Mr. Betts did not have this detail available today but said that we could get that detail to him.

Anneliese Riebel asked about how the master plan benefits the dues paying members, given that there is no influence over building and planning. Mr. Reilly explained that the reason TMVOA started this process is that there was a bit of a frustration that it wasn't happening. He agreed that it is the Town Council's responsibility to approve a master plan. However, the current PUD / zone map needs to be updated with a master plan which goes much further than the existing plans. Mr. Riley stated that the reason that TMVOA began the master planning process is that the organization has funds available and can do this more quickly than the Town can. Mr. Riley then explained the three phase contract with EcoSign. TMVOA has only authorized the first phase, which includes an inventory of MV in its entirety: what is here currently including transportation and development that exists. The second part of the first phase is a balance analysis. The third part of the first phase is a land capability analysis which will identify what opportunities exist for affordable housing, parking, etc. TMVOA estimates it will take until January to complete this first phase. Mr. Riley explained that at that point the expectation is that TMVOA will sit down with Town Council to talk about the results of the first phase and where to take the plan from there. Ms. Riebel inquired as to whether there was a specific plan for this involvement with the Town. Mr. Riley responded that TMVOA very much wants Town Council involved as they have the approval authority and have already had discussions with the Town to involve them. Ms. Riebel asked Ms. Fanos about the legality of TMVOA undertaking this study given that the Town has the authority to adopt the plan. Ms. Fanos suggested that Ms. Riebel attend the next Board meeting to more thoroughly discuss this issue and that we focus on the budget at this meeting since that is the purpose of today's meeting.

Ms. Riebel inquired as to how TMVOA accounts for RETA to make sure we are tracking this revenue completely. Mr. Betts explained briefly about our process with the title companies. Ms. Fanos further expanded on this process by explaining the process with the title company and the monthly conveyance auditing and the RETA exemption process. Ms. Fanos explained that during the transition things were a little muddled, but the conveyance cross checking process will prevent situations such as this in the future.

Hillary Mascal asked if we get any federal grants for the gondola. Ms. Neer explained that the Town is the recipient of Federal Transit Authority funds and approximately \$340,000 has been used in 2007 for the system refurbishment. The 2008 budget also includes FTA grant funding to complete the refurbishment.

Penelope Gleason: Is the grocery store meeting our expectations? What is the RF on my grocery bill? Ms. Fanos explained that we are trying to schedule a meeting with the grocery store owners to deal with this issue, and we have asked them in the past to clearly identify what the "RF" is and to get them to comply with this request.

Shawna LaBorde: What is the composition of membership dues: residential, commercial, TSG? Ms. Fanos explained that the memberships are driven by property ownership, except for commercial which allows membership votes to tenants. She further explained the dues rates for each category. The detail of this composition was not available right at the meeting, but we could provide it at a later date. Ms. LaBorde followed up with a further question about un-built density, to which Ms. Fanos provided clarity. Ms. LaBorde asked if TSG (Class D) pays dues. Ms. Fanos explained that they types of properties they own drive their dues.

Ms. Riebel asked for detail on the advertising budget. Mr. Betts provided a slide with this detail and explained this detail to the members.

IV. Adjournment

Mr. Sweet suggested that if there were no further questions, we would adjourn the meeting.

Mr. Riley clarified that the board-members would be available after the formal meeting for further questions. Ms. Fanos also reiterated that if anyone needed further information, we would be happy to provide it.

Mr. Riley moved to adjourn the meeting at 3:37 pm, seconded by Mr. Childs which was a unanimous motion.

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS
TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION
DECEMBER 12, 2007

BOARD MEMBERS PRESENT: Jeff Proteau, Richard Child, Dave Riley, Jonathon Sweet (via phone)

BOARD MEMBERS EXCUSED: Mike Wisniewski, Eric Sather, Mike Perkins

STAFF PRESENT: Jim Riley, , Stephanie Fanos, Lucy Woods, Matt DeLawder.

OTHERS PRESENT: Brianne Hovey (ASAP), Richard Betts (ASAP), Ron Brumley (Telluride Web TV)

- I. **Call to Order– Secretary Dave Riley** called the Board of Directors meeting to order on Wednesday December 12, 2007 at 9:15 am.
- II. **Approval of the Minutes of the Regular Meeting of November 14, 2007**
Director Jonathan Sweet made a motion to approve the minutes from the 11/14/07 Board Meeting as amended. Director Richard Childs seconded the motion. The motion passed unanimously.
- III. **Approval of the Minutes of the Members Budget Meeting of November 30, 2007**
Director Richard Childs made a motion to approve the minutes from the 11/30/07 Board Meeting. Director Jonathan Sweet seconded the motion. The motion passed unanimously.
- IV. **Adoption of 2008 Budget**
Mr. Betts stated that the budget has not changed materially since the 11/30 presentation to the members and asked the Board if they had any further questions.
Director Jeff Proteau made a motion to approve 2008 budget. Director Richard Childs seconded the motion. The motion passed unanimously.
- V. **Appointment of Economic Sustainability Members**
Director Dave Riley stated that Director Mike Wisniewski requested that the appointment be table until the next board meeting. The motion passed unanimously.
- VI. **Presentation on Paddle Tennis Courts**
John Pryor made a brief presentation regarding the history of the Paddle Tennis Courts for new TMVOA board members.
Director Richard Childs suggested that TMVOA support the Paddle Tennis Courts as long as they “are not a benefit to a few at a cost to many”.
Town Manager Greg Sparks stated that the Town’s Parks and Rec. Department will be managing the courts as part of strategic recreational plan (including the Paddle Tennis Courts, Ice Climbing wall and other amenities) and implementing a cost/fee structure next year.

TMVOA Attorney Stephanie Fanos stated that agreements to be drafted by the Town had to be finalized before moving forward with the Paddle Tennis Courts funding.

Director Dave Riley stated that he felt that TMVOA should have the flexibility to move the Paddle Tennis Courts to the location of a Rec. Center if it is built.

VII. Other Business

Short term parking report: Ecosign has submitted a draft short term parking concepts report. A Town subcommittee has been working on the short terming parking issues.. TMVOA provided Ecosign's summary of recommendations and maps to Jonathan Greenspan who is leading the Town's parking subcommittee in order to assist the committee's work. Director Dave Riley stated that TMVOA needs to continue to consider parking issues going forward and noted issues from the previous weekend's ski visitors. The Ecosign report is to be finalized by the week of December 16th, 2007 and will be forward to the Town's parking committee and will be posted on TMVOA's website.