

MINUTES

Rimfire Lodge Condominium Association Annual Meeting of the Members June 7, 2008

The meeting was called to order at 4:00 P.M. Bob Elwood, Director of Association Management, thanked those owners who were present, acknowledged those who had sent in proxies, and recognized those participating by teleconference. He introduced Board members Ali Carr-Chellman, Bob Hall and Patti Duncan, as well as Snowshoe staff in attendance. A quorum was established.

RENTAL ACTIVITY

Ron Cadrette, V.P. of Lodging, gave a power point presentation on rental performance. Generally, for Snowshoe as a whole and likewise for Rimfire, room nights were down from the prior year. This is contributed to less than favorable weather conditions, the economy, and to the fact that Christmas fell on a Wednesday which hurts both the weekend before and the weekend after Christmas. Overall, the winter trend showed decline in room nights for the last three years. On the other hand, average daily rates were up, and revenues even increased slightly. For the coming year, due to the economy, rates are expected to remain flat. Ron stated that there was a 27% decrease in summer business last year from the prior year. However Snowshoe has added a few enhancements to hopefully drive those numbers up this year.

Those enhancements are off road dune buggy tours, geocaching, introductions to downhill biking and sporting clays, and guided hiking to the Sunrise Backcountry Hut. Summer events have been beefed-up and include, among other things, a classic car show, mountain bike race series with a purse of \$25,000, Fourth of July events hosting the Del McCoury Band along with other Bluegrass bands, Food, Wine & Jazz, and Symphony, along with Freedom Fest which has expanded to a 4 day event with a \$10,000 poker run added and lots of music including the Outlaws and the Pure Prairie League. In September, Labor Day weekend will kick off with the group Diamond Rio, followed by Oktoberfest, GNCC, Avalanche, much like an outdoor Cabella's and a weekend of scrap-booking. All of this will be accompanied with live music.

August 15 is the scheduled date for Homeowner's weekend.

BOARD ELECTION

By acclamation Bob Hall and Ali Carr-Chellman were re-elected to their positions on the Board.

FINANCIAL REPORT/BUDGET

Bob Elwood presented the financial results for 2007-2008 and the proposed budget by power point as follows.

FINANCIAL REPORT THROUGH APRIL, 2008 (Full Year, Unaudited)

P & L

Revenues exceed budget by \$38,000

Late fee revenue budget \$500; actual \$900

Lease income budget \$0; actual \$2000

Parking revenues budget \$70,000; actual \$59,000

Realized gain on sale of investment budget \$0; actual \$46,000

Expenses exceed budget by \$6000

Various building maintenance line items performed differently

Expenses below budget

Electricity by \$5500

Federal income tax by \$7000

Garage repairs and maintenance by \$3500

Expenses above budget

Sprinkler maintenance by \$6500

Propane by \$20,000

To monitor in 2009

Possible sewer rate increases

Additional propane rate increases

BALANCE SHEET

Sweep account \$16,000

Vanguard money market \$250,000

Vanguard international stocks \$62,000

Vanguard total stock fund \$\$305,000

Maintenance reserve equity \$441,000

Net income \$32,000

General operating reserve \$118,000

ASSESSMENTS RECEIVABLE – Negligible

BUDGET 2008-2009

Parking revenues reduced
Federal income tax reduced
Propane increased

Residential fees increased overall 1.89%
Commercial fees increased overall 6.69%

Keith Slattum was introduced to the homeowners and gave a summarization of his strategic plan for the investment portfolio. This includes keeping 50% in a diversified stock fund, 40% in a bond fund and money market fund with moving back and forth as interest rates increase and decrease, and 10% in an international fund. Keith stated that he will share his detailed analysis with anyone interested. The Board thanked Keith for his diligent research and sharing this information with the homeowners.

Sam Gibson proposed that he be considered for some of the maintenance items in the budget by way of competitive bid, and the Board agreed to give that consideration.

The new budget was approved.

FACILITIES UPDATE

Kevin Wingfield gave a Powerpoint presentation on maintenance items that were finished or still in progress as follows:

COMPLETED

- Deck repairs in various areas
- Leak abatement in various areas
- Roof shingle repairs
- West side shingle siding repairs
- West/north side eave re-staining-north building
- Hot tub tile repairs
- North elevator tile replacement
- Hearth room television upgrade
- Common area signage replacements
- Initiation of environmental system preventive maintenance program
- Security camera installation
- Fire extinguisher inspections
- Hallway sub-floor repairs
- Wainscot installation-south hallway entrance corridor
- Common hallway painting, staining
- Furnace overheat resolution
- Garage cleaning
- Flooring re-waxed
- Sprinkler system repairs

IN PROGRESS

- Leak at stairwell #1 exit door
- Leak in health club ceiling
- West side deck repairs
- Lightning protection system inspection
- Landscaping
- West side exterior weatherproofing/staining
- Wallpaper repairs
- Hearth room furniture upgrade
- Signage repairs

It was noted that some vending machines are running and have nothing in them. That will be followed-up on.

It was asked if it would be feasible to have a cover for the hot tubs for energy conservation. It was agreed to look into this and recognized that there are cost, staffing, weather and other factors involved.

Ed Ward was available after the meeting to explain about access to the forum.

Door prizes were awarded to those who correctly answered questions pertaining to Snowshoe and its history.

The meeting was adjourned and the homeowners attended a social in the Rimfire Hearth Room.