

**BYLAWS
OF
CIMARRON AT STEAMBOAT OWNERS ASSOCIATION**

ARTICLE 1 - INTRODUCTION; CERTAIN DEFINITIONS

Cimarron at Steamboat has been established as a residential planned community pursuant to the provisions of the Colorado Common Interest Ownership Act, as amended ("CCIOA"). Capitalized terms used but not defined herein shall have the meanings set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Cimarron at Steamboat, a Colorado residential planned community, which shall be recorded in the real estate records of Routt County, Colorado (the "Declaration"). References to the Declaration shall include all amendments and supplemental declarations recorded from time to time. Pursuant to CCIOA and the Colorado Revised Nonprofit Corporation Act, as amended (the "Act"), the Declarant caused Cimarron at Steamboat Owners Association (the "Association") to be formed as the association of Owners of Units at Cimarron at Steamboat. In these Bylaws, references to the Common Interest Community shall be to Cimarron at Steamboat.

ARTICLE 2 - EXECUTIVE BOARD

2.1 Number and Qualification

(a) The affairs of the residential planned community and the Association shall be governed by an Executive Board, the members of which are sometimes referred to in these Bylaws as Directors. The initial Executive Board shall consist of the persons named in the Association's Articles of Incorporation. ~~The number of members of the Executive Board may be changed by amendment to these Bylaws, except that the number of members of the Executive Board shall not be less than three (3) after termination of the Association Control Period. Further, not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created in the Project under the Declaration to Unit Owners other than the Declarant, at least one (1) director and not less than twenty-five percent (25%) of the Directors must be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created in the Project under the Declaration to Unit Owners other than the Declarant, not less than thirty-three and one-third percent (33-1/3%) of the Directors must be elected by Owners other than the Declarant. Directors must be Owners or designated representatives of the Declarant or Owners. Directors shall be elected by the Owners, except for those appointed by the Declarant. When by this Section 2 the Owners other than a Declarant are entitled to elect one or more directors, then the Executive Board shall promptly call a special meeting of the Association for such purposes. At any meeting at which Directors are to be elected, the Owners may, by resolution, adopt procedures for conducting the election which are not inconsistent with these Bylaws or the Act.~~

(b) The term of office of Directors appointed by the Declarant shall continue until such Directors are removed and replaced by the Declarant or until replacements are elected by the members, as provided in these Bylaws. The term of office of Directors elected by the Owners shall be three (3) years, subject to prior resignation or removal, and provided that the terms of such Directors shall be managed so that the terms of approximately one-third (1/3) of such Directors shall expire annually. The term of office of Directors shall commence upon election or appointment.

(c) The Declaration and CCIOA shall govern appointment and election of Directors during the Association Control Period.

(d) The officers of the Association shall be appointed by the Declarant during the Association Control Period. Thereafter, the Executive Board shall elect the officers

2.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as otherwise provided in the Declaration, CCIOA, the Association's Articles of Incorporation, these Bylaws or the Act. The Executive Board shall have, subject to the provisions and limitations contained in the Declaration and CCIOA, the powers and authority necessary for the administration of the affairs of the Association and of the Common Interest Community, including without limitation the power and authority to:

(a) Adopt and amend Bylaws, policies and Rules and Regulations for the Association;

(b) Adopt and amend Association budgets for revenues, expenditures and reserves;

(c) Levy and collect regular and special assessments for Common Expenses from Owners;

(d) Hire, determine the compensation for and discharge managers and managing agents;

(e) Hire and discharge employees, independent contractors and agents other than managing agents;

(f) Institute, defend or intervene in litigation or administrative proceedings of any nature or seek injunctive relief with respect to any matter;

(g) Make contracts and incur liabilities;

(h) Regulate the use, maintenance, repair, replacement and modification of the Common Area;

(i) Cause additional improvements to be made as a part of the Common Area;

(j) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but the Common Area may be conveyed or subjected to a security interest only pursuant to Section 38-33.3-312 of CCIOA;

(k) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Common Area;

(l) Impose and receive payments, fees or charges for services provided to Owners and for the use, rental or operation of the Common Area;

(m) Charge and collect interest on assessments not paid within ten (10) days after the due date thereof at a rate commencing on the due date not to exceed twenty-one percent (21%) per annum, compounded monthly, and impose a reasonable charge for late payment of assessments. After notice and hearing, levy reasonable fines for violations of the Declaration or the Association's Articles of Incorporation, Bylaws or Rules and Regulations (herein, the "Association Documents");

(n) Impose reasonable charges for the preparation, review and recording of amendments to the Declaration, estoppel certificates and similar items;

(o) Provide for the indemnification of the Association's officers and the members of the Executive Board and maintain Director's and officer's liability insurance; and

(p) Exercise any other powers conferred by the Declaration, the Association Documents or applicable law; and

(q) Delegate to managers, managing agents or other persons all or any portion of the powers of the Executive Board.

2.3 Removal of Directors. The Owners may remove and replace any director, other than a director appointed by the Declarant, with or without cause, only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors, called for the purpose of considering such removal.

2.4 Vacancies. Vacancies in the Executive Board caused by any reason, other than the removal of a director by a vote of the Owners, may be filled for the remaining unexpired portion of the term at any time after the vacancy occurs as follows:

(a) As to vacancies of Directors whom Owners other than the Declarant elected, by a majority of the remaining elected Directors constituting the Executive Board, even though less than a quorum; and

(b) As to vacancies of Directors whom the Declarant has the right to appoint, by the Declarant.

2.5 Regular Meetings. The Executive Board shall by resolution provide for the holding of regular meetings at the time(s) and place(s), either within or without the State of Colorado, specified in the resolution. Further notice of regular meetings shall not be required.

2.6 Special Meetings. Special meetings of the Executive Board may be called by or at the request of the president or any two Directors. The person or persons authorized to call special meetings of the Executive Board may fix any place within Routt County, Colorado, as the place for holding any special meeting of the Executive Board called by them.

2.7 Notice. At least two (2) days' prior notice of the date, time and place of each special meeting of the Executive Board shall be given to each director. The notice need not describe the purpose of the meeting unless otherwise required by law.

2.8 Quorum and Voting; Proxies. A quorum of the Executive Board is deemed present throughout any meeting if more than fifty percent (50%) of the number of Directors in office are present at the beginning of the meeting. If a quorum is present at the beginning of the meeting, the affirmative vote of a majority of the Directors present when the vote is taken is the act of the Executive Board unless the vote of a greater number of Directors is required by applicable law. Each director shall be entitled to cast one (1) vote on matters before the Executive Board. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a proposal, a director shall be deemed to be present at a meeting and to vote if the director has granted a signed written proxy to another director who is present at the meeting authorizing the other director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy.

2.9 Action Without Meeting. Any action required or permitted to be taken at an Executive Board meeting may be taken without a meeting if each and every member of the Executive Board either votes for such action or votes against such action or abstains from voting and waives the right to demand that a meeting be held. Any action so taken shall be adopted only if the affirmative vote for the action equals or exceeds the minimum number of votes that would be necessary to take the action at a meeting at which all of the Directors then in office were present and voted. No action taken pursuant to this section shall be effective unless writings describing the action taken and otherwise satisfying the requirements of this section shall be signed by all Directors, not revoked as provided below and received by the Association. Action taken pursuant to this section shall be effective when the last writing necessary to effect the action is received by the Association, unless the writings described in the action set forth a different effective date. Any director who has signed a writing pursuant to this section may revoke such writing by delivering a dated and signed writing to the Association stating that such director's prior vote is revoked, provided such revocation is received by the Association before the last writing necessary to effect the action is received. Action taken pursuant to this section shall have the same effect as action taken at a meeting of Directors. Any writing pursuant to this section may be received by the Association by electronically transmitted facsimile or other form of wire or wireless communications providing the Association with a complete copy of the document, including a copy of the signature on the document.

2.10 Participation by Electronic Means. Any members of the Executive Board or any committee designated by such Board may participate in a meeting of the Executive Board or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE 3 - OWNERS

3.1 Annual Meeting. Annual meetings of Owners shall be held in the month of November at such date and time set forth in the notice. At these meetings, the Directors shall be elected by ballot of the Owners in accordance with the provisions of Article 2 of these Bylaws. The Owners may transact other business as may properly come before them at these meetings.

3.2 Budget Meeting. Meetings of Owners to consider proposed budgets shall be called in accordance with CCIOA. The budget may be considered at annual or special meetings called for other purposes as well.

3.3 Special Meetings. Special meetings of the Association may be called by the president, by a majority of the members of the Executive Board or by Owners comprising twenty percent (20%) or more of the votes in the Association.

3.4 Place of Meetings. Meetings of the Owners shall be held at a suitable place in Routt County, Colorado as may be designated by the Executive Board or the president.

3.5 Notice of Meetings. The secretary or an assistant secretary shall cause notice of meetings of the Owners to be hand-delivered or sent prepaid by United States mail to the mailing address of each Unit specified or determined pursuant to the Declaration, not less than ten (10) nor more than fifty (50) days in advance of a meeting. The notice of any meeting shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration, the Association's Articles of Incorporation or these Bylaws, any budget changes, and any proposal to remove a member of the Executive Board.

3.6 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice. The waiver shall be signed by the Owner and delivered to the Association for inclusion in the minutes or filing with the corporate records. Such delivery and filing shall not be conditions of the effectiveness of the waiver.

3.7 Adjournment of Meeting. At any meeting of Owners, a majority of Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time without further notice.

3.8 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call (or check-in procedure);

- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of memberships of the Executive Board (if required and noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of Directors of the Executive Board (when required);
- (h) Ratification of budget (if required and noticed);
- (i) Unfinished business; and
- (j) New business

3.9 Voting.

(a) The members may vote or take action pursuant to any procedure authorized by the Act, including action without meeting or action by written ballot. Each member entitled to vote shall be entitled to cast the number of votes specified in the Declaration. Members entitled to vote may vote or otherwise act in person or by proxy.

(b) Division of the vote allocated to a single Unit among multiple Owners of such Unit shall not be allowed; rather, the vote allotted to a Unit shall be voted entirely for or against or in abstention of an issue or matter put to vote among the members of the Association. If a Unit is owned entirely by one individual member or one organizational member, such individual member or the authorized representative of the organizational member with respect to such Unit may cast and vote the vote allotted to such Unit. If a Unit is owned in fee simple by two or more Persons, if only one of the multiple Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast all of the votes allocated to that Unit. If more than one of the multiple Owners are present, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the multiple Owners cast the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

(c) The vote allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may revoke a proxy given under this Section only by delivery of the actual notice of revocation to the secretary or other office or agent authorized to tabulate proxy votes. The person appointing the proxy must sign such revocation. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise.

(d) An organizational member may from time to time designate in writing to the Association one individual who may represent it with respect to such Unit at meetings and vote on behalf of such organizational member. The Association shall maintain a record of each person so designated to act on behalf of an organizational member with respect to such Unit and, until the Association is notified in writing to the contrary, only such designated person, or the written proxy of such designated person, may cast the votes of the organizational member with

respect to such Unit, and any action taken by such individual purporting to act on behalf of the organizational member shall be binding upon such organizational member. If an organizational member owns an interest in more than one Unit, such organizational member may designate separate individuals to represent such organizational member with respect to each separate Unit. If no person has been designated, as provided above, to act on behalf of an organizational member, the vote of such organizational member may be cast by any officer of a corporation, partner of a partnership, member or manager of a limited liability company, member of an association or trustee of a trust

(e) Votes allocated to Units owned by the Association may not be cast.

3.10 Quorum. Except as otherwise provided in these Bylaws, a quorum is deemed present throughout any meeting of the members if persons entitled to cast at least fifty percent (50%) of the votes of the members are present in person or by proxy at the beginning of the meeting.

3.11 Majority Vote. If a quorum is present at the beginning of the meeting, the affirmative vote of a majority of the Owners present in person or by proxy when the vote is taken is the act of the members and shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law

ARTICLE 4 - OFFICERS

4.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Executive Board, after termination of the Association Control Period. Pursuant to the Declaration and the Association's Articles of Incorporation, Declarant has reserved the right for Declarant, or any Person designated by Declarant in a writing delivered to the Executive Board, to appoint and remove any officers of the Association, but only during the Association Control Period. During the Association Control Period, the Declarant, and thereafter the Executive Board, may appoint assistant treasurers, assistant secretaries and other officers as it finds necessary. Officers need not be Directors or members of the Association. Two or more offices may be held by the same person, and the office of vice president may be vacant.

4.2 Election of Officers. After termination of the Association Control Period, the officers of the Association shall be elected annually by the Executive Board and shall hold office at the pleasure of the Executive Board. The term of office of officers shall commence upon election.

4.3 Removal of Officers. After termination of the Association Control Period, upon the affirmative vote of a majority of the Directors then in office, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose.

4.4 Vacancies. A vacancy in any office may be filled by appointment of the Board, subject to subparagraph 4.1 above. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces or at the pleasure of the Board.

4.5 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Owners and of the Executive Board. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to execute any and all agreements, contracts, deeds, leases, checks and other instruments of the Association and appoint committees from among the Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of any other officer in their absence.

4.6 Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint some other director to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Executive Board or by the president.

4.7 Secretary. Unless another person is designated by the Executive Board to do so, the secretary shall prepare and maintain the minutes of all meetings of the Owners and the Executive Board and other records and information required to be kept pursuant to the Act and shall be responsible for authenticating records of the Association. The secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado.

4.8 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board.

4.9 Amendments, Agreements, Contracts, Deeds, Checks, etc. Without limiting the authority provided in Sections 4.5, 4.7, 4.8 and 4.10 of these Bylaws, any agreements, contracts, deeds, leases, checks and other instruments of the Association may also be executed by any officer of the Association designated by the Executive Board or by any other person or persons designated by the Executive Board. Any officer may cause to be prepared and may execute amendments to the Declaration, the Association's Articles of Incorporation and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

4.10 Statements of Unpaid Assessments. The treasurer, assistant treasurer, a manager employed by the Association or, in their absence, any officers having access to the books and records of the Association may prepare, certify and execute statements of unpaid assessments, in accordance with Section 38-33.3-316 of CCIOA.

The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense against the Unit for which the certificate or statement is furnished.

ARTICLE 5 - ENFORCEMENT

Upon the violation of the Declaration, the Association's Articles of Incorporation, Bylaws or Rules and Regulations, the Executive Board may, in addition to all other available rights and remedies:

- (a) Exercise any right or remedy provided for in the Declaration or CCIOA;
- (b) Enter the Unit in which, or as to which, the violation exists and summarily abate and remove the structure, thing or condition (except for additions or alterations of a permanent nature that may exist on that Unit) that is in violation, and no person acting under the authority of the Executive Board shall be liable for any manner of trespass or damages as a result of such action;
- (c) Enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach;
- (d) Following notice and hearing, levy a fine of up to \$300.00 per day for each day that a violation continues after notice and hearing, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Executive Board.

Any expenses incurred by the Association, including reasonable attorneys' fees whether or not suit is brought, and any fines levied by the Association as a result of the violation may be assessed as a Default Assessment against the Unit on which the violation exists and collected as provided in the Declaration and CCIOA.

ARTICLE 6 - LIMITATION ON LIABILITIES AND INDEMNIFICATION

The Directors and officers of the Association shall be entitled to the limitations on personal liability as provided in the Association's Articles of Incorporation and the Act, and may be indemnified by the Association as provided in the Act

ARTICLE 7 - RECORDS

The Association shall keep the following records:

- (a) An account for each Unit, which shall designate the name and address of each Owner, the name and address of each lien holder who has given notice to the Association that it holds a lien on the Unit, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;

(b) An account for each Owner showing any other payments payable by the Owner;

(c) A record of any capital expenditures in excess of \$3,000 approved by the Executive Board for the current and next two succeeding fiscal years;

(d) A record of the amount and an accurate account of the current balance of any reserves, together with the amount of those portions of reserves designated by the Association for a specific project;

(e) Accurate records of Association receipts and expenditures, including the most recent regularly prepared balance sheet and income and expense statement, if any;

(f) The current operating budget adopted pursuant to Section 38-33.3-315(1) of CCIOA and ratified pursuant to the procedures of Section 38-33.3-303(4) of CCIOA.

(g) A record of any unsatisfied judgments held by or against the Association and the existence of any pending suits in which the Association is a defendant;

(h) A record of insurance coverage provided for the benefit of Owners and the Association;

(i) The Association's federal and state income tax returns;

(j) Minutes of actions by proceedings of incorporators, Owners and the Executive Board; and

(k) Copies of the most current versions of the Declaration and the Association's Articles of Incorporation, Bylaws and Rules and Regulations, along with all exhibits and schedules.

ARTICLE 8 - MISCELLANEOUS

8.1 Fiscal Year. The Executive Board shall establish the fiscal year of the Association.

8.2 Waiver. No provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

8.3 Reserves. As a part of the adoption of the Association's budget, the Executive Board may include amounts which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of and improvements to the Common Elements.

ARTICLE 9 - AMENDMENTS TO BYLAWS

Subject to the provisions of the Act and the Association's Articles of Incorporation, these Bylaws may be amended by majority vote of the Executive Board, and the Bylaws may also be

amended by the affirmative vote of more than 67% of the votes of the membership of the Association, except where a higher voting requirement is imposed by law, the Declaration or the Articles of Incorporation.

ATTEST: Certified to be the Bylaws adopted by consent of the Directors of Cimarron at Steamboat Owners Association dated November 17, 2005.

Jonathan Peddie, Director and Secretary

**Cimarron at Steamboat
Board of Directors Meeting
February 5, 2013**

Call to Order

A meeting of the Board of Directors for Cimarron at Steamboat Owners Association (the "Association") was held on Tuesday, February 5, 2013, in the offices of Steamboat Resorts at the Lodge at Steamboat at 2700 Village Drive. The meeting was called to order at approximately 2:15 p.m.

Roll Call

Roll call was taken and the following were present:

Board of Directors

Joe Bier, President – Unit 22

Gerry Barth, Vice President – Unit 12 (via conference call)

Proxies Presented:

Dave Clarke, Secretary/Treasurer – Unit 14 Proxy given to Joe Bier

Paul Sizemore, Vice President – Unit 10 Proxy given to Joe Bier

Steamboat Resorts

Andy Weynand – General Manager

Rebecca Duryea –Assistant General Manager

Approval of Minutes

Minutes to the following meetings were reviewed and approved with minor edits and additions.

- a. Board of Directors meeting January 12, 2012
- b. Annual Homeowners meeting November 9, 2012
- c. Board of Directors meeting November 9, 2012
- d. Board of Directors meeting December 10, 2012

The minutes to the annual Homeowners meeting will be approved at the next annual meeting. All of the minutes will be posted to the Association website.

CCIOA Changes Relating to Board Email Retention

Recommendations made by the Association Attorney, Ron Smith, were reviewed by the Board. The Colorado Common Interest Ownership Act has again changed and the new additions require that Board emails and actions by emails be retained for record. Upon a motion and second the Board voted to approve that Board emails for actions taken without a meeting be attached to Board meeting minutes and thereby posted to the Association web site.

Board Recommended Rules and Regulations Highlights for Renters

The Board agreed to table this discussion. Mr. Bier stated that he would like to encourage further discussion and Board input.

Spring Project Review and Update

Deck replacement with a long lasting synthetic material was discussed. The Board discussed that this has been an ongoing issue that all Homeowners should be well aware of. Joe Bier stated that the Association Declarations clearly state that the HOA is tasked with replacing the decking; however the cost is clearly to be billed directly to the individual Unit Owners. The Board has one bid that needs to be refined. Mr. Barth made a motion that a specific bid that can be presented to the Board via email for discussion and possible approval would be obtained by February 20th. They agreed that if the project is approved by the Board, a communication to the Homeowners regarding the scope of the work, the estimated cost per Unit and an anticipated start date of either April 15, 2013 or a TBD date in the fall, should be sent as soon thereafter as possible. The motion passed.

Joe Bier discussed the ongoing staining project. He has spent considerable time with the contractor discussing staining needs and options. Mr. Bier has asked Ben Spiegel for additional information regarding this spring's schedule for the Board to review. The two-part plan for 2013 is to stain the front elevations of Units 3-23 (Units 1 and 2 were stained in 2010; these two Units may also be scheduled for staining in order to maintain a uniform appearance, subject to scheduling constraints). The spring staining phase should be complete by June 15, 2013. The remaining Units will be stained in the early fall, starting in the latter part of August.

Association Management Agreement with Steamboat Resorts

Andy Weynand stated that Steamboat Resorts had not yet made a decision regarding a proposal to renew the Cimarron Association management contract. As the current management agreement with SR expires at the end of April, Andy suggested that the Board should explore all other options. In response to Andy's comments, Gerry Barth made a motion requesting that Steamboat Resorts give a definitive statement of intent as to the continuation of the management agreement for the Cimarron Association by February 20th, 2013. The motion was seconded and approved. Andy Weynand agreed that this could be done.

The Board agreed that the next meeting would be set at a future date but that it would ideally be no later than May 5, 2013.

Adjournment

As there was no further business to come before the Board, Gerry Barth moved to adjourn. Joe Bier seconded. The meeting was adjourned at approximately 3:15 p.m.

**Cimarron at Steamboat Homeowners Meeting
Annual Homeowners Meeting
November 9, 2012**

Call to Order

The annual meeting of Cimarron at Steamboat Owners Association (the "Association") was held on Friday, November 9, 2012, in the meeting room at Chateau Chamonix, 2340 Après Ski Way, Steamboat Springs, CO. The meeting was called to order at 9:10 p.m. by Joe Bier, Board member of the Association.

Roll Call

Roll call was taken and the following were present:

Board of Directors

Joe Bier – (in person) – Unit 22
Gerry Barth – (in person) – Unit 12
Dave Clarke – (by teleconference) – Units 14

Homeowners by Teleconference

Sara Luetkemeyer – Unit 2
Kathryn Grace – Unit 3
Laurie Flum – Unit 6
Lisa Erickson – Unit 7
Roy Cook – Unit 8
Marty Clark – Unit 9
Paul and Karen Sizemore – Unit 10
Debbie Mele – Unit 11
Nancy Cohen/Jim Wason – Unit 13
Gus Zinn – Unit 15
Mike Maguire – Unit 16
Steve Zimmerman – Unit 19
Tom Barnett – Unit 20
Christie Dennen – Unit 21
Bob Halligan – Unit 23

Steamboat Resorts

Patrick Delaney, President
Andy Weynand, General Manager
Elly Girty, Association Accountant
Rebecca Duryea, Assistant General Manager

Ron Smith, Association Accountant

A quorum was present for the conduct of business.

Ron Smith detailed the rules surrounding the conduct of this meeting and procedures from the CCIOA laws.

Approval of September 23, 2011 Annual Meeting Minutes

Gerry Barth moved to approve and Melissa Hofstetter seconded, the minutes of the September 23, 2011 Annual Homeowners meeting were unanimously approved as presented.

Election of Directors

There is one seat up for election this year. Joe Bier has agreed to run and Paul Sizemore has also expressed interest in running. Paul Sizemore shared a short bio and then Joe Bier shared his bio.

Nancy Cohen asked about having more than 3 board members. Melissa stated that it would be better to have 5 or 7. A few owners agreed. Gerry clarified that the by-laws can be amended in two different ways. One way is by the board of directors or by 67% of the owners.

Discussion ensued on whether the number should be changed from 3 to 5. Nancy Cohen shared what she believes are the positive points to changing to 5 members. Joe shared his experience with the same number of owners and they have a very difficult time getting members and even more difficulty finding active members. Dave Clarke shared that at this point we have a situation that it only takes 2 people to... Gerry shared that if we take it to 5 it will only take that number to 3. He feels more information and discussion would better serve the HOA.

Nancy Cohen moved to expand the board from 3 to 5, Catherine Grace seconded. She shared that she feels like this is a knee jerk reaction to what has happened over the last 6 months. Lisa Erikson shared that she agrees and wonders if that would better serve the HOA. Dave Clarke stated we need to make sure the board is representative of the group, the whole HOA. Nancy Cohen suggested that maybe we table this and talk about the two issues of shuttle and pool items. Vote was taken and the motioned carries.

Paul Zimmerman nominated Nancy Cohen, Christie Dennen seconded. Nancy Cohen nominated Paul Sizemore, Bob Halligan nominated Joe Bier, seconded by Laurie Flum. Slate was accepted and passed unanimously.

The terms of the five current members of the Board of Directors are as follows:

Dave Clarke – 2014

Gerry Barth – 2013

Joe Bier – 2015

Paul Sizemore – 2015

Nancy Cohen – 2014

Financial Report

Elly Girty informed the Homeowners that the Board receives financial reports every month and that those monthly reports are also posted on the Association's website.

Balance Sheet

Ms. Girty reviewed the Association's August 31, 2012 balance sheet.

Profit and Loss Statement

Ms. Girty reviewed the Association's August 31, 2012 profit and loss statement. She stated that as of August 31, 2012, the Association had a positive variance to budget of \$1,361.

Projected Year End Report

Ms. Girty reviewed the Association's projected yearend report. Steamboat Resorts is projecting a positive variance to budget of \$15,330 at fiscal year-end.

Insurance Expense – \$4,981 Positive variance. The Cimarron Board worked very hard to control and reduce the insurance cost for the Association. The appraisal valuation was reduced as was the annual premium. The HOA policy was competitively bid with three companies who were not able to compete with the policy and pricing provided by Farmers Insurance.

Legal Fees – (\$1,657) Negative variance. Legal fees associated with the multiple unit foreclosures, By-Law changes as well as management contract review led to increased legal fees.

Trash Removal – (\$700) Negative variance. This negative variance is due to the increased dumpster pickup requirements.

Water & Sewer Fees – (\$775) Negative variance. An unbudgeted increase to Water and Sewer fees caused an overage on this line item.

Amenity Supplies – (\$700) Negative variance. Two new pool umbrellas were purchased.

Roof Shoveling – \$2,988 Positive variance. Minor roof shoveling was required last winter.

Proposed 2013 Operating Budget

Ms. Girty reviewed the proposed 2013 budget in detail.

Paul Sizemore moved and Dave Clarke seconded to approve the 2013 budget as presented. Motion passed unanimously.

Nancy Cohen motioned to move any surplus to the major maintenance reserve. Laurie Flum seconded. Motion passed unanimously.

2012 Major Maintenance Projects

Andy Weynand reviewed the 2012 Major Maintenance projects.

Operating Reserve

Stain Buildings 2 – 7

Budget: \$110,000

PYE: \$59,116

Variance: \$105,884

Joe Bier and the Board of Directors contracted with Spiegel Painting to stain various facings and sections of the buildings based on immediate need. Spiegel was selected from competitive bids based on reputation, cost and method of application. They are hand brushing the entire project phase by phase.

Capital Reserve

Reserve Study

Budget: \$3,750

PYE: \$1,540

Variance: \$2,210

The reserve study was begun in November and should be completed in January 2013. The remainder of this expense will be paid in 2013.

Soft Surface Trail Improvements

Budget: \$7,500

PYE: \$0

Variance: \$7,500

This project was presented at the 2011 HOA meeting and approved to be completed in fiscal year 2011, rather than waiting until 2012.

Pool Project, Post Caps, and Entryways

Budget: Unbudgeted

PYE: \$10,864

Variance: \$10,864

This project was for the north building entrances were re-stained and metal caps were placed on the pool posts. This was done to protect and extend the life of the wood posts. This was approved by the Board of Directors.

Proposed 2013 Major Maintenance Projects

Mr. Weynand reviewed the proposed Major Maintenance Projects for 2013:

Operating Reserve

Staining Phase 2

Proposed Budget: \$50,000

Timing: Spring/Fall 2012

Staining Project Phase 2: The most recent discussion with Spiegel revolved around re-staining the fronts of all ten buildings in 2013 (potentially, Units 3 - 15 in the spring, Units 16 - 23 in the fall.

Capital Reserve

Drainage Repair

Proposed Budget: \$18,000

Timing: Spring 2013

This is for the repair of drainage at units 16-23 and the replacement of heaved concrete at building 1.

Heat Tape Replacement

Proposed Budget: \$3,000

Timing: Fall 2013

Replacement of any roof heat tape that has failed.

Landscaping Improvements

Proposed Budget: \$7,500

Timing: Spring and Summer 2013

Additional trees and landscaping improvements for the property.

Reserve Study

Proposed Budget: \$1,540

Timing: January 2013

This is the balance of the reserve study billing, carried forward from the 2012 fiscal year.

Sealcoat Driveway

Proposed Budget: \$3,500

Timing: Late Spring 2013

Driveway sealcoating is budgeted every two years.

Lisa Erickson moved to approve. Gerry Barth seconded. Motion passed unanimously.

Major Maintenance 5 year Projection

Andy Weynand mentioned the 5 year projections. These will likely be adjusted when the reserve study is completed.

New Business

Debbie Mele brought up team rental issues and suggested that a fine be in place if management &/or the police are called due to noise or other issues. Melissa feels this issue has been blown out of proportion. Gerry stated that this is an issue and they are proposing rules and regulations be in place. Lisa Ericksen stated that she also feels this is an issue. Bob Halligan has also seen many incidents with large groups. Renters need to be held accountable. Nancy Cohen agrees that rules and regulations be put in place. She would like to put them in place and then see how it affects the property. Joe Bier stated that the team rule isn't currently in place but it is proposed in the document that was sent out. Rentals are allowed but they can be regulated by our documents. There were many other issues shared that aren't included in these minutes including a situation when visitor or guests threatened bodily harm.

Lisa Ericksen stated that she supports that suggested regulations. Debbie Mele asked about the possibility of video surveillance at the pool. The current fine in place is \$100. Ron Smith shared that any owner who is fined has the right to object to the fines. The process is time consuming and not as easy as

it would seem. After much discussion the owners decided that the board will draw up the amendment and send it out to all the owners for comments.

The question was raised about units that weren't paying the association dues. Gerry shared that the board was very active last year with imposing fees and interest. Right now the only unit in arrears is unit 17 and Joe shared that this unit is in short sale and is set to close so he is very hopeful that this situation will be behind the Association.

Management Report

Patrick Delaney shared that Steamboat Resorts business model is in rental income of owner units. At this point SRM isn't profiting from Cimarron. In the future SRM will likely not choose to continue our association contract with Cimarron if rental opportunities do not increase. Joe and Jerry have done much research on other options for the property and as their report states there are any obvious options at this point. Patrick stated that we will help with the transition if that's the direction that is taken.

Joe reviewed a few other items from the memo that was sent out. He states that he is developing a new relationship with Andy as the new GM but understands the difficulty with SR position.

Bob Halligan thanked SR for the shuttle service. Better than any other hands down. Andy shared that some of those shuttle drivers are year round employees that do the landscaping and install Christmas tree lights.

The question was asked about the number of rentals needed to keep SR at Cimarron. Patrick shared that if we had 10 units in the rental program that we give us reason for pause to rethink our thought of non-renewal.

Adjournment

There being no further business to come before the meeting the meeting was adjourned at 11:34 a.m.