

SOUTHWIND AT LAKE TAHOE
ANNUAL HOMEOWNERS ASSOCIATION
MEETING MINUTES
SEPTEMBER 20, 2008

President Greg Spearn called the meeting to order at 9:10 AM. Spearn welcomed everyone to the new Southwind Recreational Center.

Secretary Chris Sherbine stated the per the CC&R's at least 25 homeowners were required to be present. With 37 homeowners present and more joining in later a Quorum was established.

Board Member Introductions: President Spearn introduced the following Board Members: Chris Sherbine (Secretary and HOA Manager), Mary Ann Kendrish (Treasurer), Bart Buckley and Joe Palko. Also present were Ed Maholtz, Southwind Maintenance Manager, Heidi Corsello, Assistant to the Director of Real Estate, Bill Cavalcante, Mountain Operations.

Financial Review: M. Kendrish reviewed the financials. She began with the Actual vs. Budget Statement dated June 30, 2008. She stated that the Landscaping/Common Ground costs were significantly over what was budgeted. Road Maintenance-Plow & Ash was also over budget. Overall, finances were under-budget. President Spearn stated that once all of the paving is completed, there will be a review of the reserves to be sure that level of reserves is sufficient. Currently, there is \$25,034.03 built into reserves. Kendrish and President Spearn fielded several questions regarding the financials, homeowners' dues, and various amenities. Kendrish then reported on the Association Budget which reflects increases due to the recreational amenities of the pool, hot tub, and clubhouse. President Spearn stated that the budget is based on a "normal" winter and expenses.

Committee Reports: President Spearn explained the procedure used to elect Board members. The Board started with three people, and two homeowners were added. In 2007, the Board appointed Chris Sherbine to replace Gloria Maust until 2009, which time Ms. Sherbine's position will be up for re-election. Also in 2007, Joe Palko and Bart Buckley were each elected for three year terms, up for re-election in 2010. Mary Ann Kendrish's seat was up for recent election, which Jane Clark, Nominating Committee member reports on later. This Board seat will begin on December 1, 2008. In 2011, the President's seat will be up for re-election.

President Spearn stated that until 75% of the homes are sold/closed in the development, the developer still has the right to retain control of the Board through voting procedures by having a different class of shares that can essentially "out vote" residents on issues that the developer feels are important to the development and implementation of the community. Once 75% of homes are closed, that class of shares will "go away", and the developer will no longer be able to "out vote" the members on any Association issues. However, he further stated that Seven Springs has not elected to exercise this control.

Out of the hundred plus current homeowners, 37 total votes were received in the recent election. Jane Clark, a member of the Nominating Committee, reported the following results of the election: The majority vote for the position of Treasurer went to John Koury. He will begin his term on December 1, 2008.

Development Status: President Spearn reported that the remaining two buildings should be under roof by the middle of October. Afterwards, only inside work should be going on at the site. Twelve to fifteen units should close by January-March, so all units should be closed by then. A second gate will be installed once building is completed.

Grounds Maintenance Report: Ed Maholtz, Maintenance Manager, gave a general review of what maintenance had occurred, as well as what he is planning to do before winter. A new assistant, Terry Shipley, has been hired and starts October 3. It was decided that after the upcoming weekend, the heat would be shut off in the pool throughout the week, turned back on again for the following weekend, and then the pool would be closed for the season. It was also suggested that this be the normal procedure going forward. This is to be reviewed at future board meetings. There was some discussion on snow removal of Village Drive and throughout Southwind. He also reminded residents to change the batteries in their smoke detectors, furnace filters, and turn off hose bibs at the water manifold. It was also suggested that the main water valve be turned off when residents leave their homes. Ed also encouraged residents to place all garbage in the dumpsters and not leave it sitting outside. He stated to try another dumpster location if you find that one is full. Residents were further encouraged to fill out their sidewalk snow removal sheets, and explained some of the issues around getting snow shoveled. President Spearn explained that the Board had decided to not add this expense to the budget, but rather to let individual homeowners decide if they wanted this service.

Bill Cavalcante gave an update on the resort's snow making strategy for the winter. There have been some improvements made to the snow making machines. The new owners have traded out the diesel compressors for electric ones, which are more environmentally friendly, and quieter. Improvements have also been made to several slopes and the terrain park. There was some discussion on snowmaking and slope access in Southwind.

Recreation Center: President Spearn gave an update on construction. The building is about 95% complete. There are several small details that are to be completed inside and outside. An IPOD system has been installed as well as high-definition and wireless internet connections. Five security cameras are to be installed to monitor the pool and community center. All systems will be stored in HOA manager's office and will be locked. Two house phones will also be added. Bart Buckley and Joe Palko reported on two documents: Southwind Recreation Center Rules and Regulations, and Southwind Recreation Center Rental Rules and Regulations. Copies of these documents were made available to residents at the meeting. There will be limited access with card readers at two outer pool gates and the front door, as well as a door at the bottom of the stairway to

the lower level. Each owner will receive two key cards, which will be traceable. Upper level is to be used only by homeowners and will not be accessible to renters. Renters may only use pool and lower level, and will be issued their own key cards. The issue of liability was raised and President Spearn explained that the rec center is covered under Seven Springs' policy right now. The Association will eventually need to have its own liability insurance. The use of the exercise equipment was discussed, and it has been decided that all minors under the age 18 must have a signed parental liability waiver to use the equipment. Children ages 16 and over may use the equipment without parental supervision. Children 13-15 must have parental supervision. No children under the age of 13 are permitted to use the equipment or be in the building unattended. These regulations will be posted. Hours of operation are as follows: Recreation Center hours will be 6:00 am to 12:00 am so that residents can use the exercise equipment; Pool hours are 9:00 AM to 9:00 PM. Inquiries were received about renting the Rec Center, so the Association needs to set policies in place. It was suggested that rentals could occur on either Saturday or Sunday, but never for both days. Rentals are for upper level only, not for lower level or the pool. A calendar will be provided for reservations. Fees and cancellation policies were discussed.

A vote was taken as to whether owners wanted to open the rec center for rentals: 25-YES; 6-NO. A vote was taken to restrict rentals to Monday-Friday and no rentals on Saturday or Sunday or any black out holidays: Majority voted YES. Blackout dates to be at Board's discretion. A vote was taken to allow third party rentals under special circumstances at the discretion of the Board: Majority-YES; 2-NO. Access to Rec Center rules and regulations are on the Southwind website.

Knox Box Key System: President Spearn explained that this is a secure box at the front gate that houses keys to each unit and would allow access to emergency personnel. This system will cost the Association \$1375. Ed and Chris will inventory the keys on a routine basis. C. Sherbine was instructed to purchase the system.

Resort Update: President Spearn gave an update on recent resort improvements and the commitment of the new ownership to invest in Seven Springs. Questions were fielded regarding possible future amenities, including the expansion of the resort.

Several homeowners expressed concerns regarding renters in Southwind.

2008-09 Scheduled Meeting Dates:

Annual Meeting: Saturday, September 12, 2009
9:00 AM-Noon
Southwind Recreation Center
Board Meetings: Monday, December 1, 2008
Friday, May 1, 2009
Tuesday, December 1, 2009
10:00 AM – Noon
Southwind Recreation Center

Meeting was adjourned at 12:15 pm.

Respectfully Submitted,

Chris Sherbine
Board Secretary

DRAFT