

Yellowstone Condo Owners Association
Minutes of Annual Meeting
August 14, 2010
Buck's T-4, Big Sky

- Meeting called to order at 9:36 AM by Gary Carlson, Board Chair.
- Quorum was present and by proxy (73%)
- Introductions of attendees
- Approval of 2009 Minutes
 - Motion made by D. Hansen to approve as written, seconded and passed unanimously.
- Owner Discussion of meeting date:
 - Owners approved owner meeting date change to August versus Labor Day weekends. Tentative date next year will be August 13, 2011.
- Maintenance and operations update by Eli Juel and interim manger, Bob Juel.
 - Painting of tan buildings and decks this year almost completed.
 - Some of trees needed to be removed due to beetle damage.
 - Building painting in budget item is only for materials not labor of manager.
 - Resealing of walkways and parking lot completed this summer.
- Maintenance Contract:
 - Eli Juel resigned as of August 15, Bob Juel has agreed to be interim manager until 10.31.10. Advertisement for a new manager was placed in local Big Sky papers starting this week. This bidding process ends in 9/8/10. Mike S. is contact person for sealed bids and will work with next year's Board.
 - Possible addition to manager contract is an accountability of manager hours spent on specific tasks, ie-hours for painting of buildings.
 - Board draft of new manager contract available and will be used for the bid process.
- Board Report by Jean White:
 - Review of Owner Updates.
 - Review of Board activities.
 - Potential Dog policy for Association.
- Presentation of complex improvement:
 - James Baker presentation
 - See copy of presentation.
 - The written remarks were accepted and to be placed in the YCOA records.
- Bob Doss, presented alternatives for long term maintenance consideration:
 - 33-years experience as licensed contractor in CA and is an owner.
 - See written ideas attached. CIS bid package and universal template is available for contractors.
- Motion made and seconded that:
 - The new Board will consider additional proposals offered to replace and repair siding as needed, repair and remodel as needed as well as possible replacement of windows, decks and stairs as needed, landscaping and visual improvements. The Board will come back to the owners with a proposal and recommendation for a future owner vote including cost estimates and financing options.
 - Discussion/clarifications- a plan is to be developed over next year and presented to owners for vote and consideration for 2011 building season.
- Finance Report by Mike Schwarzkopf:

- See handouts.
 - Garbage collection-next year's Board could look at reviewing collection times to reduce expense.
 - \$10,087 in deferred maintenance fund currently.
 - 2 units are in arrears more than 90 days and have been turned over to lien.
- Nominations for Board positions:
 - Gary Carlson, James Baker, Jerry Gleicher, Diane Doss, Maggie Trimview, George Rodriguez, Jean White.
 - Ballot voting
 - Proxy form clarification-current board retired and vote as board.
- 2010=2011 Board members are Diane Doss, James Baker, Jerry Gleicher, Maggie Trimview, and George Rodriguez.
- Old Business-none
- New Business-none
- Meeting adjourned at 1:01 PM by Gary Carlson, Board Chair.

Respectfully submitted,

Shirley Stevens
Secretary

COMMENTS OF JAMES BAKER
YELLOWSTONE CONDOMINIUM OWNERS ASSOCIATION
ANNUAL MEETING
AUGUST 14, 2010

1. I want to preface my remarks by thanking the individual Board members for their service to our association this past year. Hopefully, we can build upon these efforts to address the issues facing us in the coming year. I believe strongly that several principles need to be addressed and clarified if we are to achieve this goal.
2. Effective leaders do not have to assert their own power and authority. This truth has somehow eluded the Board of YCOA this past year. Hence the repeated claim on power and authority in "Owners Updates" this past year, particularly the March 31, 2010, issue, in which the Board asserted that it had the "responsibility for the outside structures of our buildings" far and away beyond routine maintenance and had the "power to levy and collect assessments" without the consent of a majority of the Ownership interests to perform this duty. This was a serious misinterpretation by the Board of its authority under the association's Declaration and Bylaws.
3. In retrospect, it has become clear that the Board's opinion regarding Owners' voting rights is not a recent development, but actually has evolved as an operating philosophy over the past couple of years. As early as February 2009, the Board attempted to promulgate a new voting procedure when it sent out the *YCOA Siding Proposal Survey* in which it stated that it would consider all "non responses" as a Yes vote. Discussions with a couple of Board members at the time revealed that this was added, with emphasis, because the association has traditionally had difficulty securing adequate numbers of responses to such inquiries to the Owners. However, it has now become clear to many Owners that the Board believed, even then, that an actual formal vote of the Ownership interests as defined in the Declaration was not necessary. Therefore, the Board's failure this past year was as much a function of flawed process as it was an ill-conceived plan. Attempting to deny Owners an opportunity to vote on this issue created acrimony and an environment of distrust. Responsibility for this rests solely with the Board. I want to publicly thank the Board today for eventually recognizing that a significant number of Owners were not about to abdicate their voting rights on this serious issue and for eventually conducting a formal vote.
4. A positive development has been the number of Owners who have gotten involved in the affairs of the association who have heretofore been inactive and seemingly apathetic about what happens at Yellowstone Condos. The new Board will certainly have a powerful resource to call upon in the future. The new Board members must take advantage of this heightened Owner involvement in order to achieve consensus in the coming year.
5. However, statements by the Board this past year that it desired input from Owners is in my opinion a hollow assertion. Again, it was the process used that was the problem. It appeared to many of us that members of the Board had a preconceived agenda and used their position and the resources of the Association to advance their personal goals regardless of whether the resulting

- recommendations negatively impacted other Owners. This apparent lack of empathy has been very troubling to a number of Owners.
6. There exists in our Ownership individuals who possess skills and experience that could have been utilized by the Board to evaluate our building conditions and formulate recommendations for improvements without having to hire expensive outside consultants. Even when such offers were made, they were ignored. In so doing, the Board missed the opportunity to create Owner-advocates for the ultimate plan and conversely created Owner-adversaries.
 7. The current Board has struggled with how to best address the condition of the exteriors of our buildings. In this effort, they had access to the Association's treasury and an engaged Manager, yet the final product of these efforts was overwhelmingly rejected by the Ownership. Any interpretation that this failure was due primarily to the fact that there was only one bid received on the proposal would be another failure in judgment. There are many other valid reasons why the Board's proposal failed. These include, but are not limited to, the excessive cost, the impact of so much debt on Owner equity, a market where short-term and long-term rental rates cannot support a 120% increase in assessments, and finally the fact that many Owners simply cannot afford it.
 8. Now, the Board has requested (actually expected) that an informal group of Owners that came together initially to oppose the Board's process and ultimately its plan, make a presentation at this annual meeting of specifically what should be done to improve the appearance and condition of our buildings. We are expected to do this with no real authority to represent the Association, no access to Association resources, and an unclear Management situation due to Eli Juel's resignation effective one day after this annual meeting. Frankly, this request can only be a sign of frustration on the part of the Board. This is understandable given the amount of effort that individual Board members may have contributed this past year.
 9. Certainly, I have had discussions with other individual Owners about what they believe is a prudent course of action to preserve the integrity, appearance and value of our buildings. Since returning to Big Sky in Mid July, I have personally walked around and inspected all of the Yellowstone Condominium buildings. I have also talked to several Owners and interviewed several individuals who are involved in construction and building maintenance in the Big Sky community. As a result, I have formulated my own ideas about what is expected and what can be done. However, the transition in the Manager position offers a tremendous opportunity for our Association to secure expertise to assist in this effort. It would be a mistake for us to conclude what should be done before resolving the Manager's contract. I look forward with great anticipation to discussing these ideas with the new Board and our new Manager in the coming year. If the Chairman desires, I would be pleased to participate, as an individual Owner, in an open discussion of any of the foregoing comments and my own ideas about what can be done in the coming year to address this issue.
 10. I want to thank the Board for giving me this opportunity to share my thoughts on these important issues. I also want to thank everyone here for patiently listening.

11. I request, and make a motion, that a copy of these comments be made a part of the minutes of the 2010 YCOA annual meeting.

Respectfully,

James Baker
Unit 78