

LAWSON HILL PROPERTY OWNERS CO.

138 Society Drive, Suite B
P.O. Box 3927
Telluride, CO 81435
970-728-5893
970-728-3413 (fax)

DRAFT MINUTES OF THE BOARD OF DIRECTORS MEETING Wednesday, August 19, 2009

Site Visit Telluride Mountain School, Kathleen Erie was present

The board performed a site visit to view the proposed relocation of the bus stop, proposed sign locations, proposed snow storage, proposed tree cutting and general lay of the land.

The meeting was called to order at 9:00AM

ROLL CALL AND DETERMINATION OF QUORUM: Members present were Bill de Alva, Bill Ellison, Julie McNair, Jody Van Stratt and Pamela Hall.

Julie made a motion to go into executive session, Pam seconded and the motion passed

1) Executive Session: Legal Update

Julie made a motion to go into regular session, Pam seconded and the motion passed

Motion: Bill Ellison made a motion to authorize Bill de Alva to sign a settlement agreement for the Campbell claim upon approval by the board of directors via email of the document. Jody seconded and the motion passed.

2) Old Business:

A. Update Hub Master Plan: Pam updated the board that the joint application to the Town of Telluride to amend the water agreement is on hold.

B. Tree Health- Alpha Natural: John Buerger from Alpha Natural joined the meeting via phone and explained the process he has used and his proposal. The plan is to treat the trees within Lawson with Humates and micro organisms to enrich the soils in an effort to curb the spruce bud worm and aspen sickness.

Motion: Julie made a motion to approve \$20,000.00 from reserve budget to treat the forest as proposed, Jody seconded and the motion passed.

The boards decided to jump ahead to the next two agenda items because the participants were present and then return to the agenda items not covered after the next two “New Business” items are finished.

3) New Business: Bill Mattson, Jim Loan and Kathleen Erie were present.

A. Telluride Mountain School, Review County Referral: Discuss bus shelter relocation, comments on parking design, impacts on Lot HI, and the access easement for Lot F-2

The County referral for the Insubstantial PUD amendment is considered temporary due to the fact that the TMS does not own lot G but has a 10 year lease on the property owned by Wiseacre Education. Although this meeting was specific to review the referral from San Miguel County, Bill Mattson brought construction documents, the art work for the new proposed signs, support letter from Wiseacre giving permission for the snow storage and trail to be located on the portion of Lot G the Mt. School does not have leased and a landscape plan.

The board discussed their concerns that there is no master plan for the Lot G expansion and they would prefer to have a bigger picture. The LH board has also been troubled by the fact that there are no TMS board members representing the application, particularly in light of the past dealings with TMS through Ernie Patterson, who in the end did not have the authority to represent the TMS board on pertinent issues or negotiations.

Bill Ellison asked Bill Mattson what was driving the urgency of the application in lieu of good planning. Bill M. stated they felt comfortable with the location of the parking on Lot G and the playground on F-1 and were anxious to move forward.

The plan for the parking lot as proposed does not meet the LH DRB guidelines for lot G. The guidelines require the parking to be set back and screened from San Miguel River Drive. The board continued discussing the plan and suggested their desire to help find a path forward by allowing the school to begin building the parking area as drawn but eliminating the 11 parking spaces that are in conflict and then work through the screening and landscape plan later. Bill Ellison made it clear that Lawson Hill is excited to have the TMS as part of our community but still believes good planning is very important. The board decided to move on to the next agenda item and return to this item at the end of the meeting.

Continued:

The board agreed to give a written response to San Miguel County for the referral, approving the aspects that can be approved. The response should include support for the insubstantial PUD amendment to temporarily relocate the parking from Lot F-1 to Lot G. The approval for temporary relocation of the parking is contingent on:

- 1) Submittal of a parking plan that meets DRB guidelines
- 2) Approval of the parking plan submitted by the LH DRB and/or LH BOD
- 3) A signed agreement between TMS board and Lawson Hill stating they will not pursue development of Lot F-2 while the playground is blocking the access to F-2, or provide parking on Lot G for F-2 that is acceptable to Lawson Hill Board and/ or LH DRB.

Pam will draft the response and send via email to the board for approval. If they want to lay the playground before they have a new parking plan approved the BOD will consider leasing part of Lot HI to the school to meet their parking obligation, for the short term. The board is willing to reduce the set back from San Miguel River Dr. right of way from 20 feet to 12 feet.

B. Work Session: Movie Theatre at Society Turn Business Center

Jim Bedford, Kathy Green and Amy Levek were present.

Jim Explained his desire to put in a 3 screen theatre with approximately 60 seats each. He stated that the Nugget Theatre will need to close for at least 2 1/2 years, and most likely 3 years during the remodel of the Historic Nugget building. Once the Nugget Theatre portion of the building is complete they will plan to reopen with 2 theatres. There will be no movies in Telluride for this 2-3 year renovation period. Jim and Lucy may not be able to stay in Telluride without their business, and the Nugget may lose its operator unless there is another facility to show movies in. Jim said movie theatres are not like any other businesses they only operate 6 hours a day and the cost of real estate is prohibitive for developing any other theatres in TOT or Mt. Village. He explained that 5 screens will keep movie dollars in Telluride, the movies will be more current, and will run for a longer duration. This theatre is proposed to operate during hours that Society Turn Business center parking is usually vacant. Jim is looking for support from LH for the addition of a three screen theatre at STBC, both with the County and the TOT. They also asked the board to consider being co-applicants to amend the water agreement with the town of Telluride. Pam asked if the TOT town council was in support of a movie theatre in Lawson Hill. Jim stated that the town council was 100% supportive.

Kathy will set up a work session with Mike at San Miguel County and invite some members of the LH board to participate. Kathy will explore other options for more parking on site at Society Turn Business Center. Kathy also anticipates they will contract for a traffic study this fall, finding October a good month to study Lawson Hill.

4) Old Business: Continued

C. Consideration to Approve Trail Easement for Portions of the Keystone Gorge Loop Trail

Motion: Julie made a motion to authorize Bill de Alva to sign the easement agreement. Pam will then hold the agreement until the end of the day on August 21st thus allowing the board to read the agreement one more time. If Pam does not receive any comments from the BOD by the end of Friday she will deliver the easement to San Miguel County. Jody seconded and the motion passed.

D. Other:

1) Bluegrass Update: Pam advised the board that we had camped 755 individuals down slightly from 2008. The lease for Bluegrass camping will need to be renewed for 2009.

2) Cigarette Tax: Tom Kennedy has been given the State Bill and a copy of the LH Declarations. He has not given an opinion yet.

5) IRS Resolution: The board moved to approve the IRS resolution per our accountant's recommendation for tax year 2008. Bill de Alva and Jody Van Stratt will sign on LHPOC behalf.

6) Financials: Pam reported the XYZ Lease on Lot HI has ended.

7) Adjournment: Bill de Alva made a motion to adjourn, Julie seconded and the motion passed.