

**THREE SEASONS CONDOMINIUM OWNERS ASSOCIATION
ANNUAL MEETING
JUNE 13TH, 2011 9 A.M. MDT
THREE SEASONS CONDOMINIUMS MEETING ROOM
MT. CRESTED BUTTE, COLORADO
www.3seasonscb.com**

Call to Order

The meeting was called to order by the Association's President, Jeff Steere, at 9:00 a.m.

Roll Call/Establish Quorum

Members in attendance:

203 – Peggy Zeroski
243 – Jerry and Alenka Vobornik
338 – Frank Konsella
341 – Scott Brickert
C7,8,14 – Trent Sanderson
C9-13,15-18 – Wanda Bearth
C2-6 – Susan Leeming
304 & 331 – Walt Mauro
135, 235, 237,242, & 244 – Josh Quentzel
133 – Jeff Steere

Members in attendance via phone conference:

131 – Tony Sansing
303 – David Martin
C2-6 – Ian Leeming
137 – Judith Griffin
344 – Craig Korn
136 & 232 – George Coffran

Members represented via proxy:

333 – Michelle Elsasser
205 – Allan Chodor
332 – William & Evelyn Brock
233 – Nina Jarrett
142 – Alexander and Judith Allen
231 – Ralph and Terry Palmieri
334 – Jan Harland

302 – Ryan Tyler
208 – Bill Black
241 – Homer and Linda Staggs
138 – Arthur and Laurel Cole
204 – Don Bussey
143 – Holly Smith
141 – Susan Florian
335 – Stephen Bedner
236 & 339 – Roger Davis & Julia Brickell

A quorum was established with 72.44% of the owners present or represented by proxy.

Crested Butte Lodging & Property Management staff in attendance:

Wanda Bearth, General Manager
Grant Benton, Property Manager
Patrick Seaman, Property Manager
Lee Friedman, Accounting

Reading and Approval of Past Minutes

Tony Sansing made the following-
Motion: Waive formal reading of the June 7th, 2010 annual
homeowners meeting and approve as submitted.
2nd: Josh Quentzel
Vote: Unanimous approval

Reports

The following Manager's report was submitted by Grant Benton:

Below are just some of the items Crested Butte Lodging has completed, or is currently working on, for the Three Seasons Complex:

1. The Three Season's Board decided to replace most of the windows in the common and commercial areas on the first floor. There are 2 windows left that need to be replaced – the reason they were not replaced last year was the Board was still thinking about whether or not to replace those windows on the south side wall of the hot tub room with a sliding glass door. This work was funded with the capital reserve we have built from the regular dues!
2. We have had minimal problems with the cable internet. Our biggest problems are the same problems they have everywhere else... not enough bandwidth and low signal strength. We still get complaints that the signal is not strong enough in the units but we always remind people that

- the system was designed to be used in the common areas, not inside units. If the Board and owners would like us to acquire bids for a more advanced Wi-Fi system CBL will be glad to make some calls. With the bandwidth – we remind people that the system does not have the bandwidth capacity for everyone to be using Netflix or Pandora at the same time, as an example. As more services stream on the internet the slower it will become.
3. The pool boiler – it was a good boiler for 17 years until we had to lay it to rest (it actually quit). We received 3 bids – one of the companies became very busy and could not get to the work until mid-July. The chosen contractor had completed a number of jobs at the Gunnison Hospital, Western State, and a Gunnison nursing home, and comes with great references. We expect the work to be done in June.
 4. Deep clean-We have completed a thorough deep clean of the entire building –everything from windows to cleaning wood trim to polishing the brass door handles. We perform deep cleans just before summer and ski season.
 5. Plumbing leaks - 3 leaks were detected and repaired – two in between units, and one from the roof. CBL purchased a new infrared camera to assist us in detecting leaks and their origin.
 6. The north side windows were caulked and stained.
 7. The common dryer vents were cleaned - from the dryers to the outside vents.
 8. We seal coated the parking lot.
 9. CBL had some of the sheetrock on the 3rd floor replaced and painted.
 10. We are in the middle of replacing one of the chimney crickets on the east side.
 11. We collected bids for the south and east retaining walls to present to the Board.
 12. The Fire Suppression System was replaced and brought up to current code – cost a little over \$7000.00

Those were the bigger projects Crested Butte Lodging completed for 2010 and the beginning of 2011.

As always please contact CBL if you see something we have missed or if you have ideas or opinions!

Financial report

Lee Friedman reported the following:

- As of 4/30/11 the Association had \$83,331 in available cash. There was \$29,604 in arrears from homeowners.
- As of 4/30/11 the Association was ahead in revenues by \$2,060 and regular expenses were under budget by \$3,265.
- \$45,445 has been spent on capital repairs.

Capital repairs through 4/30/11:

07/01/10	C	DRHSS 50% down for Stucco repairs	\$3750.00
07/16/10	C	DRHSS Stucco repairs, final	\$3750.00
08/31/10	C	SEALC Seal coat parking lot	\$7060.00
09/30/10	C	BVC Deposit on windows replacement	\$7000.00
10/31/10	C	FKDC Sheet rock work on 3rd floor.	\$4970.00
12/13/10	C	BVC Final on Window replacement	\$18915.00

Walt asked why fire suppression costs were significantly over budget. Grant informed everyone that the Association hired Dynamic Fire to replace the Riser and other items in the building.

Tony brought up that the Association has 3 units in foreclosure and one unit not paid up which is hurting the HOA's cash position.

Scott Brickert commented on the great quality of the snow removal this past winter. He mentioned that it was handled responsibly and quickly.

Old Business

Renovation/Capital Improvement Discussion:

Retaining wall – Grant recommends that the wall be fixed before any other work is done. It could fail in the next couple of years. CBL recommends that all homeowners take a look at the wall to see the necessity. Management plans on asking the town of Mt. CB for financial support to fix the wall due to the aesthetic aspect of the wall. The Downtown Development Authority had expressed interest in terms of financial support last year but did not have the funding at the time. The town manager has recommended we ask for funding now due to the Pro Challenge Bike Race coming in late August.

Hot tub windows – Could be replaced with sliding doors instead of windows for greater functionality. Management will look into associated advantages and risks.

Retaining wall - Wanda said current estimates for the total of repairs for wall replacement, pool boiler, fascia repair, and 2 windows that need replacement by the hot tub would total approximately \$115,000. \$1,800 per unit would be the approximate total cost. The cost would be around \$84,000 if just the east and south retaining walls are fixed.

Pool/Hot Tub – Need to be re-surfaced. Grant thinks it could wait a year and costs approximately \$12,000. The hot tub leaks have been investigated by CBL and a sub-contractor but nothing could be found. Water is being lost from the hot

tub, but all that can explain it, is evaporation and usage. The next step would be to tear up the hot tub or fill it and put in a self-contained hot tub.

Building exterior - Wanda brought up that the next big project that needs to be addressed would be the exterior of the building. At the moment, it is cosmetic but it could be a long-term structural issue. Shingles, stucco, fascia, soffits, etc... Exterior look could help property values and the ability to sell units within the building.

Homeowner feedback for proposed projects – The total cost could be roughly \$120,000 if sliding door, snow fencing, and steps are added outside of the hot tub area. This would increase the cost to approximately \$2,000 per homeowner. Alenka would not like to see dues increased, but call it a special assessment. Frank would not like it to be a big hit at once. Possibly do \$100 per month until paid off. There could be a cash flow problem with this but we could put the LOC to use. Scott Brickert and the Leeming's think we should do all the work at once instead of splitting up the various projects.

New Business

Plumbing leaks - Owners should be on notice that if their water heater is older than 7 years, it needs to be checked for leaks. CBL will inspect units that are under CBL management for plumbing leaks. Susan Leeming asked if management could check all units. Walt would like to require a pan installed in case of future leaks. Jeff would like to see management do an inspection for age of water heaters, dishwashers, and all plumbing. CBL can make recommendations based on these inspections.

Election of Board

Dan Zeroski and Jeff Steere's terms are up. Both have expressed interest in remaining on the Board for another 3 year term. Walt Mauro also expressed interest in running for the Board. Walt commented that he has previously served and would like to again. Walt helped secure a contract with CBL based on a flat maintenance fee. He also brought in an outside contractor for the current furnace system that is state of the art. Walt is an accountant and has assisted in reviewing financial statements and helped keep the HOA fiscally respectable.

By way of secret ballot, Jeff Steere and Walt Mauro were voted to serve a 3 year term for the Board of Directors.

Members Open Forum

Alenka would like to see more "no-smoking" signs so that it is more obvious that smoking is not allowed in the common areas of the building. Smoking is allowed within units and on decks.

Dues should be looked at again to see if they are fair. Jeff would like to see it based on square footage but should be done next time a dues increase contemplated. Scott mentioned that dues have always been set up this way and all homeowners knew the dues structure at the time of their unit purchase. Tony brought up that your vote is based on square footage, but dues are not. Walt would like to see where income would stand if we put everyone at a two bedroom dues rate based upon square footage. Commercial space is typically assessed less because most homeowner associations look at commercial entities as an asset that makes the building more viable. Some other associations in Mt. Crested Butte have even waived dues for commercial entities to encourage businesses to operate within the association.

Establish Date of Next Meeting

Jeff proposed Monday, June 4th because there is a greater chance to generate rental revenue the following week. Alenka suggested sometime later in the summer to get more homeowners to show up. Tony suggested Saturday might get more Colorado homeowners to show up.

Scott Brickert made the following-

Motion: Hold the annual homeowners and board meeting on June 2nd, 2012 at 9:00 a.m.
2nd: Alenka
Vote: The motion did not carry, with a majority of owners opposed

Jeff Steere made the following-

Motion: Hold the annual homeowners and board meeting on June 4th, 2012 at 9:00 a.m.
2nd: Wanda
Vote: Motion approved via a majority vote from the membership

Meeting Adjournment

Scott Brickert made the following-

Motion: Adjourn the meeting at 11:45.
2nd: Jeff Steere
Vote: Unanimous approval