

Three Seasons Condominiums Owners Association, Inc.

Annual Homeowner Meeting
Friday, June 27, 2003, 9:00 am
Three Seasons Conference Room
Mt. Crested Butte, Colorado

Call to Order

The meeting was called to order by Board President, David Hoffman, at 9:05 am.

Proof of Notice

Proof of Notice was mailed on May 30, 2003, which was 28 days prior to the meeting date.

Roll Call/Establish Quorum

<u>Owners Present in Person:</u>	<u>Unit #:</u>	<u>% of Ownership:</u>
David Hoffman	133	1.6618
Dan Zeroski	203	1.6618
R.B. Bathje	308	1.6618
Scott Brickert	341	1.6618
Joe McElroy	C-7	0.8050
	C-8	0.7920
	C-14	0.6120
ResortQuest (Walter Money Penny)	C-2	0.7600
	C-3	0.7600
	C-4	0.5600
	C-5	0.6300
	C-6	0.7770
	C-9	0.8440
	C-10	0.8050
	C-11	0.7770
	C-12	0.8870
	C-13	0.7660
	C-15	0.3850
	C-16	0.2790
	C-17	0.5350
	C-18	0.2420
Three Seasons Association	C-1	2.1600
	C-19	0.3720
	C-20	0.3920

<u>Owners Present by Proxy:</u>	<u>Unit #:</u>	<u>% of Ownership:</u>
David Hoffman proxy for:		
Summers Living Trust	131	1.6618
Katharine Miller	135	1.6618
	136	1.6618
	138	1.6618
	140	1.6618
	141	1.6618
	302	1.6618
Robert & Judith Griffin	137	1.6618
Alex & Judith Allen	142	1.6618
Corrin Doherty	206	1.6618
Stephan & Joshua Quentzal	235	1.6618
	237	1.6618
Carol Bond	236	1.6618
Scott Brickert proxy for:		
Lisa Black	208	1.6618
Jerry & Alenka Vobornik	243	0.9694
Walter Moneypenny proxy for:		
Holly Smith	143	0.9694
Ian & Susan MacMillian	238	1.6618
Robert & Jackie Jordan	305	1.6618
Joe McElroy proxy for:		
Michelle LaChance	333	1.6618
Board proxy for:		
Ralph & Terry Palmeri	231	2.285
Total representation in person:		20.7872 %
Total representation by proxy:		32.4744 %
Total member representation:		53.2616 %

A quorum was established with 53.2616% of the membership represented either in person or by proxy.

Reading and Approval of Past Minutes

Walter Moneypenny made the following:

Motion: To waive the reading of the minutes from the June 28, 2002 meeting, and approve as submitted.
Seconded: Dan Zeroski
Vote: Unanimous approval.

Reports

Officer's and Committee's – David Hoffman

None.

Manager's – Walter Moneypenny

COMPLETED PROJECTS

The skimmers in the pool and hot tub had developed serious leaks. In November of 2002, the entire pool and its lines were pressure tested and repairs were made to the skimmers. In addition, both were re-tiled, re-surfaced and re-painted. The pool is now in good working order. Recently, the hot tub has been losing water. This is being investigated and appears to be a warranty item.

The second floor atrium furniture was discarded and replaced. Old furniture was thrown out or donated depending on its condition.

Benches were added to the game room to replace the dated furniture in that area.

Both pool tables were repaired and re-felted. The two tables generate enough income to pay for their own repairs.

On the first floor of the south mall, the top rails were replaced giving the area a brighter, more comfortable appearance.

The oldest washer/dryer has been replaced resulting in reduced maintenance costs. All units in the laundry are now less than three years old.

The air handling system, which removes dust and brings clean air into the building, has been thoroughly cleaned and parts replaced. It is now working well. This has also reduced the humidity and condensation in the atriums.

For health and safety reasons, a main valve on the sprinkler system was replaced.

In consultation with the Board of Directors, the fire alarm system has been re-connected to a central monitoring service, providing the building with a 24 hour connection to a central dispatch center. While the alarms have always worked, this will provide an extra measure of security for the minimal cost of \$66 per quarter.

FUTURE & POTENTIAL PROJECTS

One major project that is still in the research process is the replacement of the windows on the south side of the building. Currently management is in the process of soliciting two bids for the proposed project. The compilation of bids has not been the difficult part of this project, but obtaining a clear scope of work has been the challenge. A contractor was hired to write a scope of work for the bidding process in 2002, but the scope of work provided was poor and it was decided to find another way to get the project completed. Walter hopes to have two bids for consideration soon, and possibly a few more that Board members have been soliciting.

A project for the Board to consider is the replacement or repair of the first floor decking material. There are no rails to replace on the first floor, just the wood decks. The snowfall and ice buildup have taken their toll on these decks. Replacement decking could be either new wood or the synthetic material currently in place on the south side of the complex.

Also regarding decks, the second and third floor decks are showing their age and some are deteriorating. Walter has been informed by the Town of Mt. Crested Butte that if we replace the decks on the second and third floor, the replacements will have to be to existing building code. If the Board decides to replace the decks, there are good and reputable contractors in the area that could complete the work. This project would need to be designed and engineered and would need the approval of the Town of Mt. Crested Butte.

During our normal maintenance inspections of the units under our interior management, we have noticed that a majority of the sliding glass door frames are damaged, most likely from the building settling over the last 25 years. Twenty-three units have sliders that are out of frame, and need new weather stripping and u-channels. We have not inspected the eight units not under our interior management, but expect the same types of conditions. The estimated cost of repair is \$275 per unit.

Another idea for the Board to consider is adding some roof extensions in a few areas of the building. Two areas in particular usually experience damage from snow and ice when the roof sheds. One area is the exterior wall and window of the front desk office. Every winter we put up a snow shield that covers the window to prevent the window from breaking. Another area that would benefit

from a roof extension would be Unit #232. It seems that the deck on that unit is damaged nearly every year from a snow slide.

Crack repair and seal coating is needed in the parking lots. The item is on the Capital Plan for 2003. Walter will schedule it for the spring. Also, for the Board's consideration is the striping plan for the parking lots. Traditionally we have only painted a center line in the south lot and marked the loading zone areas. The Board may want to consider adding parking slots to the lot.

RESORT & RENTAL BUSINESS

It was yet another year of decreased rentals. While Crested Butte Mountain has reported an increase in skier days for the 2002-2003 season (from 336,483 to 342,416), it has attributed the rise to increased local season pass usage, due to the great snow conditions of the past winter. Actual paid skier days saw another drop last season, though the Mountain does not release those numbers.

Earlier this year, Phoenix Property Company of Dallas, TX was looking at the prospect of purchasing Crested Butte Mountain. Unfortunately, the contract for sale was cancelled in June due to issues concerning expansion onto Snodgrass Mtn. John Norton, CEO of Crested Butte Mountain, is optimistic that the busy summer season will be a good time to showcase the resort and attract a new buyer.

R.B. brought to our attention that recent work done in the laundry room was not holding up. ResortQuest will "warranty" their work and make the necessary repairs.

Updating of the video games was discussed, but the supplier will not provide newer games since they do not generate sufficient income. Purchasing or leasing some newer games was considered and Walter said it would be investigated.

Financial – Walter Moneypenny

As of May 31, 2003, the balance sheet for the Three Seasons Condominiums shows the Association holding \$110,904 in cash. Accounts Receivable shows a balance of \$13,067.74. There were three owners who were more than one quarter behind in their Association dues as of May 31, 2003.

Income is on track with the budget.

General contract labor was over budget by \$8773 due to the work done on the sprinkler valve and the air handling system.

Snow plowing was over budget by \$4400, and roof shoveling was over by \$5805 – great snow last winter!

Electricity was over budget by \$3405 due to rate increases and the operation of the air handling system.

Two former owners with problems of uncollectible dues, have had these monies classified as Bad Debt. Efforts continue to collect these dues.

We have changed auditors from Dalby, Wedland and Co. to McNurlin and Associates, and as a result, have saved \$850.

The renewal increase for insurance was less than expected and came in at about \$1800 under budget.

R.B. wanted to clarify a statement made in the prior meeting's minutes regarding his objection to the tile used in the Real Estate office. He felt his statement was misinterpreted from the context it was used and did not reflect the "spirit" of the conversation. At this meeting, and in the future, meetings will be temporarily recorded until transcribed into a typed format.

Walter and Dave noted that while the dues for the Three Seasons has been on the high side, they have remained stable for nearly ten years with no special assessments.

Individual line items on the Balance Sheet, Income Statement, and Five Year Capital Plan were discussed.

Old Business

Scott brought up the issue of cleanliness of the stairwells, and removal of snow especially on the north end of the building. He felt that due to the lower volume of traffic in the north end, that there was less attention given to that end of the building in regards to upkeep. R.B. made the suggestion of perhaps bringing on an on-site or contracted person to maintain specifically the Three Seasons building, though this may be cost prohibitive. Walter noted that with the reduction of associations, the restructure of an inefficient maintenance department, and the newly contracted Eagle maintenance, productivity and efficiency should increase. Management recognized that their performance in the north mall was not quite adequate, and said ResortQuest would strive to do a better job.

New Business

Regarding the 2002-2003 Auditors Excess Income Resolution, Walter Money penny made the following:

Motion: To accept IRS Resolution 70-604.
Seconded: Scott Brickert
Vote: Unanimous approval.

Election of the Board of Directors

Elect one for three year term expiring 2006.
Elect one to fill vacant position expiring 2004.

David Hoffman made the following:

Nomination: Walter Money penny to the Board of Directors and to re-nominate Dan Zeroski for a full term.
Seconded: Scott Brickert

David Hoffman made the following:

Motion: That the nomination cease.
Seconded: Scott Brickert
Vote: Unanimous approval.

Walter Money penny was elected to a 1-year term by acclamation.
Dan Zeroski was elected to a 3-year term by acclamation.

Unscheduled Business

R.B. suggested that in the interest of money and energy savings, a cover for the hot tub be purchased.

Options for the replacement for the flags above the pool were discussed.

Next Meeting Date

David Hoffman made the following:

Motion: That the next meeting take place on June 25, 2004.
Seconded: Walter Money penny
Vote: Unanimous approval.

Adjourn

Dave Hoffman made the following:

Motion: To adjourn the meeting.
Seconded: Dan Zeroski
Vote: Unanimous approval.

The meeting adjourned at approximately 11:30 am.

Approved: _____
Date

By: _____
Walter Moneypenny
Director