

**Three Seasons Condominium Owners Association
Annual Meeting Minutes
June 18, 2007 9 a.m. MDT
Three Seasons Conference Room**

Call to Order

Josh Quentzel, Association President, called the meeting to order at 9 a.m. MDT.

Proof of Notice

Proof of notice was presented by Kathy Morgan, association manager. The notice was mailed to the membership on May 3, 2007, which was 46 days prior to the meeting.

Roll Call/Establish Quorum

A quorum was established, with more than 50% of the membership attending either in person or via proxy.

Reading and Approval of Past Minutes – June 19, 2006

Josh Quentzel suggested that reading of the meeting minutes from the June 19, 2006 Homeowner Association meeting be waived and accepted into the formal record, as presented, with no objections from the membership.

Manager's Report

Wanda Bearth and Grantly Benton, of Crested Butte Lodging & Property Management (CBL), presented the following report. CBL was the Association's Manager until 5/31/07.

Completed Projects – Fiscal year ending May 2007:

1. Deck and railings-new, installed summer '06
2. Sliding glass doors and living room window-new, installed summer '06.
3. South mall glass-replaced fall of '06.
4. Stucco repair-patching completed fall of 2006.
5. Exit doors-north mall doors were repainted May 2007.
6. Mound on north side of property-it was seeded (wildflowers and grasses), trees planted and decorative boulders placed last summer. We've dug weeds and sprayed Weed 'n Feed, but it will need another application.
7. Parking lot-Sealcoated, completed fall of '06.
8. Grill vents-installed over the vents on the first floor decks.
9. Signage-north side sign repainted last summer. New sign placed on south end.
10. Pool cover motor box-built and installed to conceal the pool cover gears, for safety and aesthetics.

Projects Pending:

Upon Kathy Morgan's appointment as property manager for the association, Grant went through the complex and provided a list of projects - as well as his opinion and advice on the items CBL was working on, but have not completed.

1. Smoke Detectors-Superior Alarm is completing the installation of the new beam smoke detectors. The fire chief – Ric Ems – was here for the testing. The testing failed, but Superior Alarm is still here working on the system. Ric Ems has requested that Grant personally see this project through completion.
2. Hot tub boiler-CBL researched where to purchase a control for the hot tub boiler and gave the information to Kathy – we believe she has ordered the part.
3. Hot tub leak-Kathy has been informed of the small leak at the hot tub. CBL crawled under the hot tub to determine where the leak was coming from, but the pipes are mostly encased in concrete. This was a project we anticipated to work on in June before we opened the hot tub for the summer season.
4. Sewer-CBL unclogged the drain next to the pool boiler, but Shawn - CBL's in-house plumber - said he thought there was something in the drain larger than our equipment could retrieve. Mike with Timberline Mechanical ran the snake down approximately 25' and was knocked down from an electrical shock. Mike is OK. Grant's opinion is that Kathy look at the site plans, ask locals who might have knowledge of the history of the building, have the city mark where the water/electrical lines run, and possibly call a company like Western Wastewater to camera the drain.
5. Pool cover- Grant informed Kathy of the pool cover mechanics, as well as the roof leak over the pool area.
6. Furnace- Grant also informed Kathy that he believes the furnace belts should be changed as well as all filters.

Financial Report

CBL presented the following financial overview:

Balance Sheet

The association is in sound financial shape as of May 31, 2007. The association's net worth is \$75,242; of that, \$68,924 is readily available cash. (June is a dues collection month). CBL has maintained a lower checkbook balance in order to increase interest revenues from the saving(s) accounts. The two savings accounts were combined (the Bank of the West account was closed and the money transferred to Community Bank) to avoid fees associated with lower balances.

CBL recommends that the board of directors approve reallocating \$9,883.45 or more to the Capital Fund from the Operating Fund to correct the negative balance in that account. The accounts receivable are in excellent shape, with no outstanding dues and just \$90 remaining uncollected in late fees.

Operating Budget

Revenues collected were \$5,994 ahead of budget. The largest contributing factors were the refund of \$2,054 from the Gunnison County Electric Association and the additional \$2,677 in vending revenues.

Operating Expenses

Operating expenses were \$50,886 under budget at year's end. The most notable contributor to this savings was the lack of snowfall and the related savings on roof shoveling and plowing, which totaled \$22,577.

Additional savings were realized in these areas: common area cleaning-\$2,382; electricity-\$3,402; gas-\$9,065; chimney cleaning-\$3,518; fire logs-\$2,200 and maintenance supplies-\$1,812.

Capital Budget

Additional capital repairs, approved by the Board of Directors, resulted in a budgetary overspend of \$25,749. Included in the project list, which resulted in the overspend were items including: more extensive stucco repair, costing an additional \$8,864; sealing the parking lot, \$6,686; signage, \$2,110; replacement of the south mall glass, \$22,929 was budgeted but related repair work doubled the original bid); and \$8,300 in trim for the doors and windows.

The resulting net profit for the fiscal year ending May 31, 2006 is \$38,814.

Old Business

There was no old business.

New Business

Josh announced that Kathy Morgan with High Country Property Management has been contracted to manage the association June 1, 2007 – May 31, 2008.

Election of Board of Directors

The terms currently held by Walt Mauro and Josh Quentzel are expiring and both have expressed interest in serving the Association for another term.

Jeff Steere advised that Wanda Bearth was also interested in a position on the Board and suggested that the Board be increased to a panel of 6. A poll was taken and there was no objection from the membership regarding an increase in the number of Directors to six. The slate of directors - Walt Mauro, Josh Quentzel and Wanda Bearth, was approved by the membership via secret ballot.

Board of Directors	Term Expiration
Josh Quentzel	2010
Walt Mauro	2010
Wanda Bearth	2010
Tony Sansing	2009
Jeff Steere	2008
Dan Zeroski	2008

Establish Date of Next Meeting

The next annual homeowner's meeting is set for June 16, 2008 at 9 a.m. in the Three Seasons conference room.

The meeting was adjourned at approximately 11:30 a.m.

Approved: _____
Wanda Bearth, Secretary (date)