

**THREE SEASONS CONDOMINIUMS ASSOCIATION
ANNUAL OWNER'S MEETING
JUNE 16TH, 2008 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 Board President, Josh Quentzel, at 9:08 a.m.

Proof of Notice

Proof of Notice was mailed on May 12th, 2008, which was 36 days prior to the meeting date.

Roll Call/Establish Quorum

Members Present In Person

- TS 131 – Tony Sansing
- TS 133 – Jeff Steere
- TS 135, 235, 237, 242, & 244 – Josh Quentzel (owner and received proxies from Stephen Quentzel)
- TS 141 - Susan Florian (received proxy from Willam Florian)
- TS 243 – Jerry and Alenka Vobornik
- TS 304 & 331 – Walt Mauro
- TS 308 – Susan Baber (via phone conference)
- TS 337 – Kim Katowski
- TS 338 – Frank Konsella
- TS 341 – Scott Brickert
- TS 344 – Craig Korn
- C9-13 & C15-18 – Wanda Bearth
- C2-6 – Ian Leeming (received proxy from Susan Leeming)
- C1, 19, & 20 – THS Association (BOD President votes on behalf)

Members Represented By Proxy

- TS 136 & 232 – George Cofran
- TS 137 – Judith Griffin
- TS 138 – Laurel Cole
- TS 139 – Frank Clause
- TS 143 – Holly Smith
- TS 203 – Dan Zeroski
- TS 208 – Lisa Black
- TS 231 – Terry & Ralph Palmieri
- TS 233 – Nina Jarrett
- TS 239 – Myong-he Gayhart
- TS 303 – James Clecker
- TS 305 – Robert & Jackie Jordan
- TS 332 – William Brock
- TS 333 – Michelle Elssasser
- TS 335 – Stephen Bednar
- TS 340 – Pasquale & Barbara DeLizio
- C7, 8, & 14 – Veronica Jiganti

A quorum was established with 67% of owners in attendance or represented via proxy.

Board Members Present

- Josh Quentzel
- Jeff Steere
- Walt Mauro
- Tony Sansing
- Wanda Bearth

Management Company Present

- Wanda Bearth
- Patrick Seaman
- Grant Benton
- Lee Friedman

Reading & Approval of Past Minutes – June 18th, 2007

Josh Quentzel made the following -

Motion: To waive reading of the minutes and accept as submitted
Seconded: Jeff Steere
Vote: Unanimous Approval

Reports

Managers Report

The following report was submitted in writing and reviewed orally by Grant Benton.

Crested Butte Lodging & Property Management was charged with the building's care in February. Along with the regular maintenance of: replacing bulbs, cleaning (vacuuming, glass cleaning, cleaning common bathrooms), steam cleaning, stocking the common bathrooms, caring for the plants, etc – we have completed or are working on the projects listed below.

Building Maintenance – Completed Projects

Retaining wall – The damage from over the winter has been repaired by CBL.

Painted doors – All common area doors have been painted by CBL.

Pool cover – Repaired in-house. The original installer will only come to Crested Butte to sell Three Seasons a new pool cover. *And* he has stopped selling the pool cover that he sold Three Seasons originally. The cover you have is known to the industry to be one that needs to be adjusted/repaired on a regular basis.

Dumpsters – The past management company had Three Seasons purchase bear proof dumpsters per the town ordinance. The newest town ordinance requires that all dumpsters have a locking mechanism – they are installed.

Pool Lights – Since the pool lights were on 24 hours per day using approximately 1000 watts, CB Electric was called in to add a time clock to the pool lights. Now the pool lights are on for a couple of hours at night.

Building Maintenance – In Progress

Hot Tub – There has been a slow leak in the hot tub for over a year. When Kathy took over in June 07 she hired a professional leak detection company to find and repair the leak. While trying to find and repair the leak he did adjust/tune up the jet heads (one was completely replaced). I spoke with the gentleman about 2 months ago and he informed me that he told Kathy he could not guarantee his work with this hot tub. CBL has *not* noticed a large volume of

water in the crawl space under the tub but we do have to fill the tub every other day to keep the water above the skimmer to prevent damage. CBL will be in communication with the Board with options.

Transformer covers – Gunnison County Electric directed us to protect the transformers. Ice slid from the roof this winter on to the large transformers on the west side of the building and knocked out power to Three Seasons. The GCEA might start charging Three Seasons for any future repairs. Cowboy Steel created an estimate for adding a steel cover to the transformers of \$1206.00. This would be a minimal fix. I believe we might have to build a roof system over the transformers that the GCEA can remove when needed.

Emergency lighting – There are 27 emergency lights that are no longer working during power failures. CB Electric has a bid for \$3416.73 for replacing the emergency lights and adding 2 more in the north atrium (which is a requirement for most insurance companies). CBL recommends that this particular job is done by a licensed and insured electrician.

Entry key pad locks – For each entry into the Three Seasons building. The two options are card reader locks or push button locks. Either way we will have to adapt the doors to make the locks work.

We are going to have to secure one of the doors at each of the 4 entries with a surface bolt (one door will be fixed; one will be the one with the lock).

Game Room Door Option – CBL is working with your Board to make repairs to the Game Room door/lock.

Boilers – We have had 2 bids from 2 companies to replace the boilers for Three Seasons - one for approximately \$25,000 and one for approximately \$90,000. I spoke with Josh in April and with his consent I shut down the boilers for the summer. There is 1 boiler working strong and another that is not as healthy as the first. The other 3 boilers are not working. The only thing both companies agreed on was that the controls are not “talking” to the boilers. I believe we should have Timberline Plumbing service the existing 2 boilers in September/October 2008 to prepare for the 2008/2009 ski season *or* have at least one boiler replaced before this ski season.

Utility fence – The transformer located on the northeast corner of Three Seasons was damaged by the massive snow we had last winter. We are in the process of repairing the fence to “hide” the transformer.

Weeds – The town of Mt. Crested Butte will most likely start fining us if there are noxious weeds on the property. The 3 ways the town permits homeowners to eradicate the weeds is by: mowing before they seed, pulling (and throwing the plants in the dumpster), or spraying.

Decks – Some of the east facing second floor decks need to be re-enforced. CBL has asked reliable contractors for their opinion. CBL is planning on doing this work as soon as more of the snow melts.

Administrative

Insurance – Your association insurance changed from Farmers Insurance of Steamboat to Traveler's Insurance on February 14th, 2008. Traveler's Insurance unexpectedly decided to drop Three Season's insurance as of May 3rd, 2008, after determining that the large number of short term rentals did not fit their risk profile. Farmer's Insurance accepts the number of short term rentals, but does require a professional management company care for the building and that the company must be available 24/7. CBL was given some lead time and able to attain several insurance proposals for the Board's review. Your Board decided to go with Farmer's Insurance of Gunnison, and your new insurance agent is Gary Short. He can be reached at 970-641-1776 if you have any HOA insurance questions.

Website – Just a reminder that your Three Season's Association website, www.3seasonscb.com, is a wonderful resource for homeowners to find operating documents, financial reports, meeting announcements, meeting minutes, special announcements, and more.

THREE SEASONS ASSOCIATION

Financial Statement

Preliminary (Un-Audited)

April 2008

*Prepared by
Crested Butte Lodging
& Property Management*

Three Seasons Condominium Assn
PO Box 5037
Mt Crested Butte CO 81225

AS OF 04/30/08

DOLLARS

ASSETS

CURRENT ASSETS

103	Checking - CB #13104214	35254.79
104	Savings - CB #11114581	49922.83
106	Accounts Receivable	22133.54

CURRENT ASSETS	SUBTOTAL	107311.16
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FIXED ASSETS

160	Furniture and Fixtures	20979.80
163	Equipment	23530.91
164	Purchase of Units	750.00
165	Accumulated Depreciation	-40442.00

FIXED ASSETS	SUBTOTAL	4818.71
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ASSETS	TOTAL	112129.87
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LIABILITIES

CURRENT LIABILITIES

201	Accounts Payable	6729.90
205	Accrued Payables	4646.26

LIABILITIES	TOTAL	11376.16

EQUITY

OPERATING FUND BALANCE (OFB)

274	OFB as of Beginning of Year	85125.45
276	OFB Year to Date Activity	32892.98

← (A)

Three Seasons Condominium Assn
PO Box 5037
Mt Crested Butte CO 81225

AS OF 04/30/08

DOLLARS

OPERATING FUND BALANCE (OFB) (Continued)

OPERATING FUND BALANCE (OFB) SUBTOTAL 118018.43

CAPITAL FUND BALANCE (CFB)

275 CFB as of Beginning of Year -14529.71
277 CFB Year to Date Activity -2735.01 ← (A)

CAPITAL FUND BALANCE (CFB) SUBTOTAL -17264.72

EQUITY TOTAL ----- 100753.71

TOTAL LIABILITIES AND EQUITY ----- 112129.87
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Three Seasons Condominium Assn
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Current period, YTD, Prior Year

	04/01/08	BUDGET	VARIANCE	06/01/07	YTD	VARIANCE	PRIOR	VARIANCE	PRIOR	VARIANCE
	04/30/08		CUR-BUD	04/30/08	BUDGET	YTD-BUD		CUR-PRI	YTD	YTD-PRI
INCOME										
OPERATING INCOME										
301 Regular Assessments	2,700.00	0.00	2,700.00	297,833.48	297,833.48	0.00	0.00	2,700.00	297,833.48	0.00
302 Late Fees	0.00	0.00	0.00	27.96	1,600.00	-1,572.04	211.15	-211.15	2,519.30	-2,491.34
303 Conference Room Rental	400.00	300.00	100.00	625.00	400.00	225.00	300.00	100.00	1,100.00	-475.00
304 Rental Income	0.00	200.00	-200.00	1,200.00	2,200.00	-1,000.00	0.00	0.00	2,400.00	-1,200.00
306 Vending Income	557.49	100.00	457.49	1,548.22	1,055.00	493.22	225.00	332.49	2,658.39	-1,110.17
307 Miscellaneous Income	26.80	0.00	26.80	990.50	0.00	990.50	0.00	26.80	88.00	902.50
311 GCEA Refund	0.00	0.00	0.00	950.25	0.00	950.25	0.00	0.00	2,054.37	-1,104.12
INCOME TOTAL	3,684.29	600.00	3,084.29	303,175.41	303,088.48	86.93	736.15	2,948.14	308,653.54	-5,478.13

OPERATING EXPENSES

OPERATING EXPENSES

545 Appraisals	0.00	0.00	0.00	0.00	750.00	-750.00	0.00	0.00	0.00	0.00
550 Audit	0.00	0.00	0.00	1,705.00	2,200.00	-495.00	0.00	0.00	1,900.00	-195.00
555 Bank Charges	25.00	10.00	15.00	74.25	50.00	24.25	0.00	25.00	60.00	14.25
556 Bad Debt	0.00	0.00	0.00	106.27	0.00	106.27	0.00	0.00	0.00	106.27
560 Board of Directors	32.17	250.00	-217.83	95.30	850.00	-754.70	23.14	9.03	380.77	-285.47
570 Legal	0.00	25.00	-25.00	154.00	575.00	-421.00	0.00	0.00	191.00	-37.00
575 Maintenance Fee	3,545.83	3,545.83	0.00	36,480.14	39,004.13	-2,523.99	0.00	3,545.83	0.00	36,480.14
580 Management Fees	2,041.00	2,041.00	0.00	21,798.06	22,451.00	-652.94	2,374.00	-333.00	26,114.00	-4,315.94
585 Postage	0.00	0.00	0.00	141.59	180.00	-38.41	0.00	0.00	180.67	-39.08
590 Website Expenses	0.00	0.00	0.00	600.00	200.00	400.00	0.00	0.00	677.00	-77.00
610 Contract Labor General	163.86	1,600.00	-1,436.14	5,097.48	11,000.00	-5,902.52	305.00	-141.14	8,486.64	-3,389.16
636 Vending	0.00	40.00	-40.00	0.00	240.00	-240.00	0.00	0.00	80.00	-80.00
637 Decorations	0.00	0.00	0.00	0.00	1,000.00	-1,000.00	0.00	0.00	720.41	-720.41

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Current period, YTD, Prior Year

	04/01/08	BUDGET	VARIANCE	06/01/07	YTD	VARIANCE	PRIOR	VARIANCE	PRIOR	VARIANCE
	04/30/08		CUR-BUD	04/30/08	BUDGET	YTD-BUD		CUR-PRI	YTD	YTD-PRI
OPERATING EXPENSES (Continued)										
638 Cable Television & Internet	1,408.49	1,350.00	58.49	15,532.53	14,850.00	682.53	1,442.46	-33.97	15,747.06	-214.53
640 Common Area Cleaning	0.00	0.00	0.00	78.75	0.00	78.75	4,471.25	-4,471.25	25,323.61	-25,244.86
645 Electricity	2,742.14	2,200.00	542.14	26,815.32	25,329.00	1,486.32	2,062.10	680.04	22,267.39	4,547.93
660 Insurance	278.40	1,516.00	-1,237.60	16,908.40	15,965.00	943.40	0.00	278.40	15,665.63	1,242.77
666 Telephone	275.00	25.00	250.00	275.00	275.00	0.00	0.00	275.00	0.00	275.00
670 Trash	1,647.57	1,310.00	337.57	11,807.57	12,310.00	-502.43	1,030.98	616.59	11,503.70	303.87
680 Natural Gas	709.43	1,922.00	-1,212.57	6,180.39	19,017.00	-12,836.61	658.20	51.23	11,543.68	-5,363.29
687 Water and Sanitation	3,338.28	3,214.00	124.28	35,978.77	34,486.00	1,492.77	3,209.22	129.06	34,435.80	1,542.97
688 Water Damage Repair	0.00	83.00	-83.00	0.00	500.00	-500.00	0.00	0.00	0.00	0.00
690 Chimney Cleaning	0.00	0.00	0.00	0.00	0.00	0.00	992.00	-992.00	4,846.00	-4,846.00
697 Fire Protection	31.46	25.00	6.46	7,037.36	2,525.00	4,512.36	228.50	-197.04	1,912.49	5,124.87
700 Grounds	0.00	0.00	0.00	4,139.14	0.00	4,139.14	258.50	-258.50	6,053.91	-1,914.77
701 Plants	0.00	0.00	0.00	425.30	150.00	275.30	0.00	0.00	256.90	168.40
705 Hot Tub Supl./Repairs	387.23	250.00	137.23	12,452.80	2,750.00	9,702.80	127.23	260.00	3,197.84	9,254.96
706 Hot Tub/Pool Daily Maint.	0.00	0.00	0.00	0.00	0.00	0.00	262.50	-262.50	9,265.75	-9,265.75
715 Maintenance Repair	80.00	0.00	80.00	2,084.02	0.00	2,084.02	185.00	-105.00	8,095.19	-6,011.17
730 Snow Plowing	125.00	500.00	-375.00	21,840.75	18,600.00	3,240.75	2,072.50	-1,947.50	6,679.50	15,161.25
740 Snow Shoveling-Roof	0.00	0.00	0.00	40,875.00	22,880.00	17,995.00	0.00	0.00	9,343.20	31,531.80
750 Maintenance Supplies	-106.29	332.00	-438.29	1,443.02	3,652.00	-2,208.98	25.37	-131.66	4,028.39	-2,585.37
755 Housekeeping Supplies	33.42	40.00	-6.58	156.22	440.00	-283.78	55.65	-22.23	943.89	-787.67
760 Printing	0.00	0.00	0.00	0.00	275.00	-275.00	0.00	0.00	320.74	-320.74

OPERATING EXPENSES TOTAL	16,757.99	20,278.83	-3,520.84	270,282.43	252,504.13	17,778.30	19,783.60	-3,025.61	230,221.16	40,061.27

GROSS PROFIT (LOSS)	-13,073.70	-19,678.83	6,605.13	32,892.98	50,584.35	-17,691.37	-19,047.45	5,973.75	78,432.38	-45,539.40
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CAPITAL

Three Seasons Condominium Assn
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Current period, YTD, Prior Year

	04/01/08	BUDGET	VARIANCE	06/01/07	YTD	VARIANCE	PRIOR	VARIANCE	PRIOR	VARIANCE
	04/30/08		CUR-BUD	04/30/08	BUDGET	YTD-BUD		CUR-PRI	YTD	YTD-PRI
CAPITAL INCOME										
305 Interest Income	-5.51	-100.00	94.49	-1,023.99	-1,100.00	76.01	-162.35	156.84	-889.67	-134.32
310 Special Assessments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-85,148.41	85,148.41
CAPITAL INCOME	-5.51	-100.00	94.49	-1,023.99	-1,100.00	76.01	-162.35	156.84	-86,038.08	85,014.09
CAPITAL EXPENSES										
616 Capital Repairs	0.00	0.00	0.00	3,759.00	0.00	3,759.00	0.00	0.00	96,140.01	-92,381.01
620 Stucco Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,663.75	-14,663.75
CAPITAL EXPENSES	0.00	0.00	0.00	3,759.00	0.00	3,759.00	0.00	0.00	110,803.76	-107,044.76
CAPITAL TOTAL	-5.51	-100.00	94.49	2,735.01	-1,100.00	3,835.01	-162.35	156.84	24,765.68	-22,030.67
NET PROFIT (LOSS)	-13,068.19	-19,578.83	6,510.64	30,157.97	51,684.35	-21,526.38	-18,885.10	5,816.91	53,666.70	-23,508.73

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Footnotes:

A. The Year to Date (YTD) activity was allocated as follows:

\$ 32892.98	Operating Fund Balance (OFB) YTD
<\$ - 2735.01>	Capital Fund Balance (CFB) YTD
<u>\$ 30157.97</u>	Net Receipts over Expenditures YTD

The net receipts of \$30,157.97, equals the net profit figures on the Income Statement.

Old Business

Homeowner Surveys – Tony Sansing reviewed the homeowner surveys and thanked everyone for their participation. A total of 30 out of the 53 homeowners responded to the survey. Tony encouraged everyone to read through the surveys and the comments as there are many pages of comments. He only listed each comment once to avoid redundancy. Two points that Tony noted as being repeated many times are that there needs to be better communication between the BOD, management, and the homeowners, and that many homeowners would like to see security locks on the building's exterior doors. The homeowners in attendance thanked Tony for his hard work in coordinating this project.

Homeowner Dues – Alenka Vobornik asked the BOD to review the dues structure because she feels it is not equitable for all owners. All condominium units pay the same amount of dues regardless of the size of their unit. A short discussion ensued in which Wanda pointed out that CBL voluntarily is charging a 2% fee to all short-term renters that is being given the Three Season's Association to help cover the cost of wear and tear on the building. The BOD dictated that the dues for all homeowners and commercial owners would be discussed at the BOD meeting.

New Business

Short-term Rentals – Tony mentioned that he had been in discussion with other short-term rental management companies than CBL in order to provide options to homeowners for their short-term management needs. He said that he would get a list together and provide it to the membership. Tony asked that homeowners direct the BOD and communicate with them on what it is that they would like to see as far as short-term management is concerned.

Open Forum

Commercial Space (1st Floor – SW Corner) – Ian Leeming led a discussion regarding the commercial space that was just purchased where the ResortQuest ski-shop had been located. Ian told the membership that he is a caterer and intends to open a limited service restaurant that serves breakfast and lunch. Ian is considering leasing some space to a massage therapist or for ski storage or an office. He asked to leave the bulk of the discussion for the BOD meeting, but did point out that he understands and will address homeowner concerns regarding parking, traffic, building usage, and trash pick-up.

Grills – Susan Florian asked if owners are allowed to have grills on their decks. The BOD pointed out that gas grills and patio furniture are allowed on the decks, but no other items may be stored there.

Pets – Jerry Vobornik asked about the pet policy. The BOD noted that only homeowners (not short-term or long-term renters) are allowed to have pets. All owners are responsible for cleaning up after their pets, and plastic bags and trash cans are provided around the exterior of the building for homeowners to do so. Jerry and Alenka Vobornik thanked the BOD and management for providing pet pick-up materials.

Unused HOA Space – Josh Quentzel was contacted by a homeowner who was seeking a fitness center in the building just for homeowners use. Some discussion followed ultimately ending with a desire to use the space but not sure for what purpose at this time.

Signage – A couple homeowners noted that they had witnessed people smoking in the building and/or partying during quiet hours. The BOD will see that new and updated signage will be placed around the building to help educated owners and guests of the HOA's rules.

Election of Board of Directors

Jeff Steere and Dan Zeroski's positions on the BOD both expired as of the 2008 annual meeting. Both Jeff and Dan indicated that they would be interested in remaining on the Board for another term.

In addition, Walt Mauro Sr. delivered a resume and was interested in serving on the BOD. Walt Mauro Jr. explained that his father was unable to attend the meeting and was sorry that he missed it. Walt Mauro Jr. spoke about his father's lengthy career as an accountant and felt that his skills could be used and valued by the association.

Ballots were distributed; Dan Zeroski and Jeff Steere were elected to the Board of Directors for a 3 year term.

Establish Date of Next Annual Meeting

It was asked that the 2009 Annual Meeting be held before Father's Day. June 15th, 2009 was determined to be the date of the next Annual Meeting.

Adjournment

Josh Quentzel, BOD President, adjourned the meeting at 1:11 p.m.

Approved: _____ Date _____