

**THREE SEASONS CONDOMINIUMS ASSOCIATION
ANNUAL OWNER'S MEETING
JUNE 8TH, 2009 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 9:05 a.m.

Proof of Notice

Proof of Notice was mailed on May 5th, 2009, which was 34 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 203 – Dan Zeroski
- TS 241 – Homer & Linda Staggs
- TS 243 – Alenka Vobornik
- TS 304 – Walt Mauro
- TS 308 – Susan Baber (via phone conference)
- TS 338 – Frank Konsella
- TS 341 – Scott Brickert
- TS 343 – Matt Brust
- TS 344 – Craig Korn
- C9-13 & C15-18 – Wanda Bearth
- C2-6 – Susan & Ian Leeming
- C1, 19, & 20 – THS Association (BOD President votes on behalf)

Members Represented By Proxy

- TS 135, 235, 237, 242, & 244 – Stephan Quentzel
- TS 137 – Judith Griffin
- TS 138 – Laurel Cole
- TS 139 – Frank Clause
- TS 141 – William Florian
- TS 143 – Holly Smith
- TS 203 – Dan zeroski
- TS 205 – Allan Chodor
- TS 208 – William Black
- TS 231 – Terry & Ralph Palmieri
- TS 233 – Nina Morrison-Jarrett
- TS 236 & 339 – Roger Davis & Julia Brickell
- TS 302 – Ryan Tyler
- TS 305 – Robert & Jackie Jordan
- TS 306 – Kellee Smith & Eric Logan
- TS 331 – Drucilla Pugh
- TS 332 – William & Evelyn Brock
- TS 334 – Jan Harland
- TS 336 – Eric Lundberg
- TS 340 – Pasquale & Barbara DeLizio
- TS 343 – Caroline Brust
- C7, 8, & 14 – Veronica Jiganti

A quorum was established with 70.0874% of owners in attendance or represented via proxy.

Board Members Present

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

Management Company Present

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

Reading & Approval of Past Minutes – June 16th, 2008

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 presented by Grant Benton & Wanda Bearth.

Welcome to the annual Homeowners Association meeting of the Three Seasons Condominiums Association.

Crested Butte Lodging & Property Management oversees the building's care. Along with the routine daily maintenance of: replacing bulbs, cleaning (vacuuming, glass cleaning, cleaning common bathrooms), steam cleaning, stocking the common bathrooms, caring for the plants, pool and hot tub maintenance, etc – we have completed or are working on the projects listed below.

Building Maintenance – Completed Projects

Retaining wall-the damage to the small retaining wall on the north end of the building has been repaired.

Painted doors & west entry-all common area doors & the west entry deck/entry wood have been painted.

Common entry digital locks-have been installed and tested. The security code has been sent to all owners and will be changed periodically.

South entry thresholds-have been replaced and stained, and south exposed wood window trim has been painted.

Pool cover-minor adjustments are made through out the year.

Hot tub-leak is on going. Three Seasons had a professional leak detection company inspect the hot tub 2 years ago, and I spoke with the owner of the company last year about his view on the leak. He will not come out again. We have worked with Timberline Plumbing, and hired Al's to camera the lines - and Al's did not discover any cracked plumbing in the lines that he was able to camera.

Pool columns-around the pool area have been painted, and the hot tub area has been stained.

West side roof snow bars-were installed last fall to help protect the transformers.

Emergency lighting-has been installed and tested (recommendation of Three Seasons insurance company).

Boilers-have been purchased and plan to be installed mid-June.

Lot survey-was done and recorded at the courthouse.

Pool sand/filters-were replaced in the spring of 2009.

Common wall heater-were replaced and new covers installed.

Laundry-motion sensor light switch was installed. This was from the recommendation of our in-house owners: Mr. and Mrs. Vobornik!

Decks-have been stained-unit 308 was paint stained because of the location.

Building Maintenance – In Progress

Crested Butte Lodging will install a piece of metal roofing for a test - to eventually replace the cedar shakes on the upper roof. We will be in contact with the Board on costs and options.

Landscaping-CBL would like to get homeowner ideas for upgrading the landscaping around the building.

Carpet cleaning-spot cleaned periodically throughout the year and all the common areas will be done before 2009/2010 ski season.

Photo eye-for north entry lights to be installed.

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. This will be a fight to the end!

Colorado House bill 09-1091- It is up to each individual owner that rents long term or short term or sells their unit after June 1st 2009 to install Carbon Monoxide detectors per the requirements of the new Colorado Law.

Per the Board's approval-CBL would like to have the hot tub windows replaced before winter.

Short term rentals – Area info

Rentals- Three Seasons revenues (short and long term rental revenues) fell short of last year by 50%, but we also had 23% less rentals. Owners renting long term fared better than short term rental owners.

The poor economy factored into the decline in rentals, but local changes affected Three Seasons; including CBMR's decision to discontinue the group lift discount during the holiday week.

At a meeting in April with the Gunnison Valley Lodging Committee, Ken Stone (CBMR's COO), admitted that their rental revenues also lagged behind last year by 25% and that although they are striving to increase the lift ticket yield the group discount would be reinstated for the coming season. This is promising news for rental owners in Three Seasons as the building's design and amenities lend well to groups. The coming season looks very promising as we have 4 times the revenues on the books for groups. Although these early pacing reports can be deceiving, we're confident that CBMR's change in lift pricing in addition to the base area improvements will drive revenues.

Area development-The Mt. Crested Butte Town Council has approved the DDA's (Downtown Development Authority) continuation in pursuing two public/private partnerships aimed at providing 'demand generators' which may result in an economic boost for the town. The aqua/recreation center has moved down in priority and a performing arts center has moved to the top of the list. The cost of the recreation center (\$14 million) makes it a less feasible venture given the decline in development and the rejection of the mil levy increase by voters last fall. The second partnership, CBMR's proposed Adventure Park, would feature a synthetic ice skating rink, tubing hill, climbing wall and bungee trampolines.

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

AS OF 04/30/09

DOLLARS

ASSETS

CURRENT ASSETS

103	Checking - CB #13104214	25060.71
104	Savings - CB #11114581	65468.56
106	Accounts Receivable	3116.20
110	Prepaid Insurance	2943.15
120	A/R TS342 Maria G Anast	4545.91

CURRENT ASSETS

SUBTOTAL 101134.53

FIXED ASSETS

160	Furniture and Fixtures	21182.25
163	Equipment	23530.91
164	Purchase of Units	4997.87
165	Accumulated Depreciation	-42259.00

FIXED ASSETS

SUBTOTAL 7452.03

ASSETS

TOTAL	108586.56
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LIABILITIES

CURRENT LIABILITIES

201	Accounts Payable	7174.54
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LIABILITIES

TOTAL	7174.54

EQUITY

OPERATING FUND BALANCE (OFB)

274	OFB as of Beginning of Year	27086.27
276	OFB Year to Date Activity	63033.36 ← (A)

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BALANCE SHEET

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

AS OF 04/30/09

DOLLARS

OPERATING FUND BALANCE (OFB) (Continued)

OPERATING FUND BALANCE (OFB) SUBTOTAL 90119.63

CAPITAL FUND BALANCE (CFB)

275 CFB as of Beginning of Year 56176.91
277 CFB Year to Date Activity -44884.52

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CAPITAL FUND BALANCE (CFB) SUBTOTAL 11292.39

EQUITY TOTAL 101412.02

TOTAL LIABILITIES AND EQUITY 108586.56
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INCOME STATEMENT

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

Current period, YTD, Prior Year

	04/01/09 04/30/09	BUDGET	VARIANCE CUR-BUD	06/01/08 04/30/09	YTD BUDGET	VARIANCE YTD-BUD	PRIOR	VARIANCE CUR-PRI	PRIOR YTD	VARIANCE YTD-PRI
INCOME										
OPERATING INCOME										
301 Regular Assessments	0.00	0.00	0.00	297,833.48	297,833.48	0.00	2,700.00	-2,700.00	297,833.48	0.00
302 Late Fees	244.41	0.00	244.41	2,832.83	1,600.00	1,232.83	0.00	244.41	27.96	2,804.87
303 Conference Room Rental	0.00	400.00	-400.00	715.00	1,300.00	-585.00	400.00	-400.00	625.00	90.00
304 Rental Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00	-1,200.00
306 Vending Income	0.00	300.00	-300.00	2,624.86	1,555.00	1,069.86	557.49	-557.49	1,548.22	1,076.64
307 TMS Usage Fees	836.60	50.00	786.60	3,423.96	4,315.00	-891.04	26.80	809.80	990.50	2,433.46
311 CCEA Refund	0.00	0.00	0.00	950.27	0.00	950.27	0.00	0.00	950.25	0.02
315 Miscellaneous Income	0.00	0.00	0.00	1,349.14	0.00	1,349.14	0.00	0.00	0.00	1,349.14
TOTAL	1,081.01	750.00	331.01	309,729.54	306,603.48	3,126.06	3,684.29	-2,603.28	303,175.41	6,554.13

OPERATING EXPENSES

OPERATING EXPENSES										
550 Accounting & Audit Fees	0.00	0.00	0.00	3,295.00	2,200.00	1,095.00	0.00	0.00	1,705.00	1,590.00
555 Bank Charges	0.00	5.00	-5.00	415.98	55.00	360.98	25.00	-25.00	74.25	341.73
560 Board of Directors	0.00	0.00	0.00	204.90	550.00	-345.10	32.17	-32.17	95.30	109.60
570 Legal	0.00	100.00	-100.00	772.50	1,100.00	-327.50	0.00	0.00	154.00	618.50
575 Maintenance Fee	3,545.83	3,546.00	-0.17	39,004.13	39,006.00	-1.87	3,545.83	0.00	40,025.97	-1,021.84
580 Management Fees	2,041.00	2,041.00	0.00	22,451.00	22,451.00	0.00	2,041.00	0.00	22,898.49	-447.49
585 Office Supplies & Postage	0.00	0.00	0.00	185.71	420.00	-234.29	0.00	0.00	141.59	44.12
590 Website Expenses	0.00	50.00	-50.00	712.36	750.00	-37.64	0.00	0.00	600.00	112.36
610 Contract Labor General	0.00	800.00	-800.00	5,325.51	8,800.00	-3,474.49	163.86	-163.86	5,097.48	228.03
636 Vending	0.00	0.00	0.00	123.06	160.00	-36.94	0.00	0.00	0.00	123.06
637 Decorations	0.00	0.00	0.00	554.58	750.00	-195.42	0.00	0.00	0.00	554.58
638 Cable Television & Internet	1,382.59	1,479.00	-96.41	15,410.41	15,772.00	-361.59	1,408.49	-25.90	15,532.53	-122.12

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INCOME STATEMENT

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Three Seasons Condominium Assn

PO Box 5037

Mt Crested Butte CO 81225

Current period,YTD,Prior Year

OPERATING EXPENSES

(Continued)

	04/01/09 04/30/09	BUDGET	VARIANCE CUR-BUD	06/01/08 04/30/09	YTD BUDGET	VARIANCE YTD-BUD	PRIOR	VARIANCE CUR-PRI	PRIOR YTD	VARIANCE YTD-PRI
640 Common Area Cleaning	-195.00	0.00	-195.00	30.00	0.00	30.00	0.00	-195.00	78.75	-48.75
645 Electricity	2,342.35	2,410.80	-68.45	27,925.84	25,807.95	2,117.89	2,742.14	-399.79	26,815.32	1,110.52
660 Insurance	1,763.84	1,695.00	68.84	19,402.17	18,645.00	757.17	278.40	1,485.44	16,908.40	2,493.77
666 Telephone	30.00	0.00	30.00	320.00	0.00	320.00	275.00	-245.00	275.00	45.00
670 Trash	895.32	1,310.00	-414.68	12,965.46	12,310.00	655.46	1,647.57	-752.25	11,807.57	1,157.89
680 Natural Gas	535.96	700.00	-164.04	4,519.77	7,250.00	-2,730.23	709.43	-173.47	6,180.39	-1,660.62
687 Water and Sanitation	3,338.28	3,476.00	-137.72	36,721.08	37,305.00	-583.92	3,338.28	0.00	35,978.77	742.31
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	4,700.17	5,000.00	-299.83	0.00	0.00	0.00	4,700.17
697 Fire Protection	0.00	75.00	-75.00	2,282.23	2,300.00	-17.77	31.46	-31.46	7,037.36	-4,755.13
700 Grounds	0.00	0.00	0.00	173.28	0.00	173.28	0.00	0.00	4,139.14	-3,965.86
701 Plants	0.00	0.00	0.00	77.38	150.00	-72.62	0.00	0.00	425.30	-347.92
705 Rot Tub Supl./Repairs	2,084.64	259.00	1,825.64	5,976.85	2,849.00	3,127.85	387.23	1,697.41	12,452.80	-6,475.95
715 Maintenance Repair	0.00	0.00	0.00	0.00	0.00	0.00	80.00	-80.00	2,084.02	-2,084.02
730 Snow Flowing	575.52	500.00	75.52	11,226.31	16,400.00	-5,173.69	125.00	450.52	21,840.75	-10,614.44
740 Snow Shovelng-Roof	0.00	0.00	0.00	25,760.25	23,000.00	2,760.25	0.00	0.00	40,875.00	-15,114.75
750 Maintenance Supplies	777.15	500.00	277.15	5,418.96	5,500.00	-81.04	-106.29	883.44	1,443.02	3,975.94
755 Housekeeping Supplies	39.95	40.00	-0.05	314.65	440.00	-125.35	33.42	6.53	156.22	158.43
760 Printing	0.00	0.00	0.00	357.30	275.00	82.30	0.00	0.00	0.00	357.30
780 Miscellaneous Expenses	0.00	0.00	0.00	69.34	0.00	69.34	0.00	0.00	106.27	-36.93
OPERATING EXPENSES	19,157.43	19,069.80	87.63	246,696.18	249,745.95	-3,049.77	16,757.99	2,399.44	274,928.69	-28,232.51
GROSS PROFIT (LOSS)	-18,076.42	-18,319.80	243.38	63,033.36	56,857.53	6,175.83	-13,073.70	-5,002.72	28,246.72	34,786.64

CAPITAL

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INCOME STATEMENT

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

Current period, YTD, Prior Year											
	04/01/09	BUDGET	VARIANCE	06/01/08	YTD	VARIANCE	PRIOR	VARIANCE	PRIOR	VARIANCE	
	04/30/09		CUR-BUD	04/30/09	BUDGET	YTD-BUD	YTD	CUR-PRI	YTD	YTD-PRI	
CAPITAL INCOME											
305 Interest Income	-64.63	-100.00	35.37	-514.64	-1,100.00	585.36	-5.51	-59.12	-1,023.99	509.35	
CAPITAL INCOME	-64.63	-100.00	35.37	-514.64	-1,100.00	585.36	-5.51	-59.12	-1,023.99	509.35	
CAPITAL EXPENSES											
616 Capital Repairs	0.00	0.00	0.00	45,399.16	0.00	45,399.16	0.00	0.00	3,759.00	41,640.16	
CAPITAL EXPENSES	0.00	0.00	0.00	45,399.16	0.00	45,399.16	0.00	0.00	3,759.00	41,640.16	
CAPITAL	-64.63	-100.00	35.37	44,884.52	-1,100.00	45,984.52	-5.51	-59.12	2,735.01	42,149.51	
NET PROFIT (LOSS)	-18,011.79	-18,219.80	208.01	16,146.64	57,957.53	-39,808.69	-13,068.19	-4,943.60	25,511.71	-7,362.87	

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Footnotes:

A.	The Year to Date (YTD) activity was allocated as follows:	
	\$ 63033.36	Operating Fund Balance (OFB) YTD
	<\$- 44884.52>	Capital Fund Balance (CFB) YTD
	<u>\$ 18148.84</u>	Net Receipts over Expenditures YTD

The net receipts of \$18,148.84, equals the net profit figures on the Income Statement.

Lee Friedman reviewed the preceding financial report and summarized the data for the membership. As of 4/30/2009, the HOA had \$83,356 in available cash. Accounts receivable totaled \$3,116 and there is one lien currently in place.

Unit 342 was foreclosed upon, but is now owned by Aurora Loan Services. State Statutes grant the HOA a six month lien priority (first priority given to HOAs for 6 month's worth of assessments) leaving a remaining balance of \$4545.

For the current fiscal year as of 4/30/09, revenues are \$3,126 ahead and expenses are \$3,050 under budget.

Capital repairs were made to the building and totaled over \$40,000. The big items included the purchase of new boilers, seal coating the parking lot, installation of emergency lighting, installation of push button door locks on the 4 main entries of the building, and various other security and efficiency upgrades.

Lee also mentioned that the audited data for fiscal year ending 5/31/2008 had recently been given to CBL and revealed that the HOA had \$304,525 in total revenues and \$295,985 in total expenses for fiscal year ending May 31st, 2008. The audited financial statements will be posted to the association website.

Old Business

Renovation/Capital Improvement discussion – Jeff Steere lead a discussion regarding capital improvements in this fiscal year which will include repair to the upper roof, installation of the boilers and insulating the boiler room. The membership was in agreement with the board's approach to capital repairs, which is to avoid special assessments during this weak economy and to limit work to \$40,000 per year which is the excess revenues collected through the regular dues. CBL requested that the board consider replacing the hot tub windows. Alenka Vobornik suggested that the Board consider the windows on the north side, too.

New Business / Open Forum

Parking Lot – CBL mentioned that the parking lot needs to be seal coated every other year to extend the life of the asphalt. This year CBL or a local seal-co company will touch up the lot.

Windows – A couple homeowners expressed some concern about the fact that the windows around the hot tub, in one bedroom condos, in conference room, and around the commercial space were never replaced. Jeff Steere explained that it was never planned for those to be replaced in the last renovation, and a homeowner added that the project focused upon the decks/balconies and not as much on the windows.

Internet – Homeowners mentioned that in high occupancy times over the past ski-season the internet connection would get bogged down. The Board said it would be discussed at the Board meeting and that they would try to find a way to speed up the connection or add more infrastructure to handle the high occupancy periods. CBL said they would look into options and costs to improve the wireless system in the building.

Stucco – It was brought up that the stucco is starting to look bad around the base of the building especially in certain areas. One homeowner suggested putting planters around the building to mask the damage and brighten it up with some color. The concern was where to store the planters in the winter. The Board discussed how the stucco gets affected every year, and it has been very hard to find someone that does a good job with stucco repair. The Board wants to wait until the HOA has more money but has discussed putting stone or corrugated metal around the base of the building but want to see architectural drawings of how it would look first.

Recycling – Frank Konsella would like the HOA to bring recycling back. Grant explained that CBMR and Gothic Mountain Trash have been discussing a central recycling location. The Board and CBL have been waiting to see if the program is implemented and will then resume discussion.

Parking Rules – The topic of parking trailers for a significant time period in the lot was brought up. Frank K. thought that just owner's should be allowed to park trailers in the lot. The Board said the rule would be discussed at the Board Meeting.

For Sale Signage – A couple homeowners mentioned that they didn't like the multitude of real estate signs posted around the building. There was some concern that potential buyers would be turned off if it looks like there is a "fire sale" going on. The Board said it would be addressed at the Board Meeting.

Regular Assessments – Alenka Vabornik thinks that it is unfair for owners of one bedroom condos to pay the same amount in dues as two and three bedroom owners. She also thinks it is unfair for one bedroom owners to only be allowed one car. The Board agreed and said the rule would be changed at the Board Meeting.

Communication – Alenka V. would like to have access to all homeowner’s e-mail addresses. The Board explained that they cannot do that legally, but they have opened a discussion room on the HOA’s website www.3seasonscb.org. The website is still under construction and more homeowners are enrolling online all the time, so hopefully the site will get used for the purpose intended. Also, Alenka said that she was unable to get a response from the Board to two e-mails she had sent, and she would like better communication. She said that having CBL on property has been very convenient, and that she has had good communication with CBL.

HOA Owned Space in Basement (formerly Kathy Morgan’s office) – Still not being used at the moment but the BOD is open to renters or ideas for use.

Homer Staggs said that the pool looks great.

Scott Brickert thanked the Board for all of their hard work.

Election of Board of Directors

Tony Sansing’s position on the BOD expired as of the 2009 annual meeting. Tony and Susan Leeming both indicated a desire to serve on the Board.

Both mentioned a little about themselves and their desires for the HOA.

Ballots were distributed; Tony Sansing was elected to the Board of Directors for another 3 year term.

Establish Date of Next Annual Meeting

Jeff Steere made the following -

Motion:	To hold the next Annual Meeting on June 7 th , 2010.
Seconded:	Josh Quentzel
Vote:	Unanimous Approval

Adjournment

Josh Quentzel, BOD President, adjourned the meeting at 11:44 a.m.

Approved: _____ Date _____