

**Three Seasons Condominiums
 Owners Association Meeting Minutes
 Monday, June 19, 2006, 9:00 AM MDT
 Three Seasons Conference Room
 Mt Crested Butte, Colorado**

Call to Order

The meeting was called to order at 9:17 AM by Board President, Josh Quentzel.

Proof of Notice

The proof of notice was mailed May 8, 2006, which was 39 days prior to the scheduled meeting date.

Roll Call/Establish Quorum:

<u>Members Present In Person</u>	<u>Unit #</u>	<u>% of Ownership</u>
Tony and Linda Sansing	131	1.6618
Jeff Steere	133	1.6618
Jeanne Boyle	138	1.6618
Alex & Judy Allen	142	1.6618
Dan Zeroski	203	1.6618
Walter Mauro	236	1.6618
Mathew Brust	343	0.9694
Craig Korn	344	0.9694
Toby Rippetoe	C7, C8, C14	2.2090
Wanda Bearth	C2-6, C9 -13, C15-18	9.007
Three Seasons Association	C1, C19, C20	2.9240

<u>Members Represented by Proxy</u>	<u>Unit #</u>	<u>% of Ownership</u>
Linda & Tony Sansing proxy for:		
William & Jennifer Florian	141	1.6618
Kevin & Nina Morrison- Jarrett	233	1.6618
Bill & Dawn Taylor	204	1.6618
Mr. & Mrs. William Brock	332	1.6618
Pasquale & Barbara DeLizo	340	1.6618
Ralph & Terri Palmeri	231	2.285
Josh Quentzel proxy for:		
George & Sharon Cofran	136, 140, 232	4.9854
Robert & Judith Griffin	137	1.6618
Lisa Black	208	1.6618
Jerry & Alenka Vobornik	243	0.9694
Walter Mauro proxy for:		
Thomas Mauro	304	1.6618
Drucilla Pugh	331	2.285

<u>Members Represented by Proxy</u>	<u>Unit #</u>	<u>% of Ownership</u>
Dan Zeroski proxy for: Robert & Susan Baber	308	1.6618
Jeff Steere proxy for: Michelle Elsassir	333	1.6618
Maria Anast	342	1.6618
Toby Rippetoe proxy for: Frank Clause	139	1.6618

Management Company Present

Kathy Morgan
Kendall Collins
Wanda Bearth
Randi Williams
Paula Dietrich

A quorum was established with 56.52% of the ownership represented in person or by proxy.

Josh Quentzel, President, introduced Kendall Collins as the owner of the new company Crested Butte Lodging and Property Management, formerly ResortQuest. Kendal gave a brief summary of his 13 years in the valley and his 9 years of management experience. His company Crested Butte Company manages Snowcrest, Outrun and Village Center and currently this is done separately from the Association managed by Crested Butte Lodging. Kendal introduced Wanda Bearth as General Manager and as a new owner in Crested Butte Lodging and Property Management.

Kendall stated he was impressed with the cleanliness of the building

I am a landscape person and I will be pushing for y

The Owner's present were then asked to introduce themselves, give their unit number and share their backgrounds and brief histories.

Reading and Approval of Past Minutes – June 24, 2005

Toby Rippetoe made the following:

- Motion:** to dispense with the reading of the June 24, 2005 meeting minutes and approve as submitted.
- Seconded:** Dan Zeroski
- Vote:** Unanimous Approval

Election of Board of Directors

Election was held to fill 2 Director positions; one for a three (3) year term expiring 2009, one for a two (2) year term expiring 2008. Walter Mauro, Tony Sansing and Dan Zeroski all stated their desire to serve on the Board. By secret ballot Tony Sansing was elected to a three (3) year term with a majority of the votes cast and Dan Zeroski was elected with to the two (2) year term.

Current Directors	Term Expiration
Jeff Steere	2008
Dan Zeroski	2008
Tony Sansing	2009
Toby Rippetoe	2007
Josh Quentzel	2007

Tony Sansing made the following:

- Motion:** to authorize Kathy Morgan to destroy the ballots of the election of board members.
- Seconded:** Judy Allen (142)

Josh Quentzel raised the questions of keeping the ballots for a period of time in the event any one questioned the percentages or results.

Jeff Steere suggested the motion be amended to read as follows:

- Motion:** to authorize Kathy Morgan to destroy the ballots of the election of board members after minutes have been published and reviewed. The date for destroying these ballots will be August 1, 2006.
- Seconded:** Josh Quentzel
- Vote:** Unanimous Approval

Jeannie Boyle (138) asked about how minutes were distributed and when. Kathy Morgan explained that the minutes are mailed out after the HOA meeting and they are posted onto the Three Seasons website.

After the mention of the website several ideas were presented about improving the website. Suggestions included link website updates to email address to notify owners when updates to site are made. Also suggested was a chat room.

REPORTS

Manager's Report

Welcome to the annual Homeowners Association meeting of the Three Seasons Condominiums Association. This past year has seen the implementation and completion of many eye catching projects here at Three Seasons.

Common Element – Completed Projects

- **Removed the wood decking on the East side of the building and replaced with concrete decks** - *this project was completed last fall . One of the benefits that we will see now from this project is the ability of being able to remove snow effectively, when necessary, from these decks. We can use magnesium chloride as needed to remove snow from against the new doors and windows on these 1st floor units.*
- **Remodeled the north entrance** – *the remodeling of the north entrance made a big difference in our ability to keep the area free of snow and clear for owner and guest access. The installation of grip strut steel in the winter makes the access safe and in the summer the ramp provided the exact service the board anticipated in having the area serve as a service entrance.*
- **Renovation of the North mall** – *this remodel was completed last fall and has been quite a hit with the guests. We saw increased use of the area last winter by guests.*
- **New furniture for North Mall** - *Jeff and Vicki Steere took on the job of finding a few nice pieces of furniture to place in the north mall. They found 2 nice table and chair sets that are currently in the area. We also moved some of the furniture the Association purchased several years ago for the 2nd floor lounge down to this area. We will selectively continue to add to these pieces and hopefully built a nice ambiance in this area.*
- **Retaining wall in north parking lot** – *We added a retaining wall to the north parking area last year and this allowed us to keep the north parking area plowed with less damage to the berm. With in delineation this wall gave us and the parked cars we were able to keep the area cleaner than in past years and we didn't lose parking spaces to snow as we have in the past.*
- **Replaced decking and railing on all upper decks** – *We have replaced all of the existing upper level decks except 308. They have manufactured decking and new railings. With the help of Tony Sansing we were able to save approximately \$13,000.00 on the cost of the railings.*
- **Replaced sliding glass doors (53 doors)** – *We have replaced all of the sliding door. We have done a final walk through on these doors and checked and as needed adjusted the doors. Two sets of doors are missing handle;; those have been ordered and should be in shortly. .*
- **Replaced living room windows in units with such windows (48 windows)** – *The windows have all been installed. Several of the windows have some small cracks and the window company has ordered replacement parts to be installed shortly. We have done a walk through and checked the doors and windows. The windows are tight and will loosen up with use.*
- **Replaced emergency exit signs with 90 minutes battery backed up fixtures** – *last September we replaced all of the old exit signs with new battery backed up exit signs.*
- **Website up and running** – *With the help of George Cofran we have the website up and running. We have all of the operating documents on the site and we are working to add more information as needed. Please check out the site and proffer and comments and suggestions. This is after all your website.*

Common Elements – Approved Projects in Progress

- **Replacement of emergency stairwell lighting** – *This project has been approved and will be completed this summer.*
- **Replacement of upper windows in the south mall** – *As you can see walking through the south mall we have the glass in house for this project. We will complete this project this summer.*
- **Staining of new wood on decks** – *The new wood on the decks is being stained at this time. Due to some delivery problems and then weather problems we were unable to get this stained prior to installation.*

- **Signs** – *Toby has been working on sign designs. Currently, Town code allows 1 sign on each elevation of the building not to exceed 20 sq. ft. Bill Rasick will be in tomorrow along with Vicki, of the sign guys and we will be discussing what exemptions apply and how a new sign will effect the existing signs on the building.*

Common Elements – Potential Future Projects

- Replacement of meeting room doors with double doors
- Interior painting of common areas
- Purchase of new tables and chairs for meeting room
- Grading and resurfacing of parking lot
- Exterior landscaping improvement
- Addition of portico to South Entry
- Stucco repair associated with capital project

Financial Report

Balance Sheet The balance sheet for the Three Seasons Condominiums shows the Association holding \$97,379.00 in cash as of May 31, 2006. Accounts Receivables shows a balance of \$16780.77 as of May 31, 2006. \$1,783.40 is 60 days past due with \$1,916.54 due for this billing period.

Income Statement The income statement in this section shows unaudited totals for June 1, 2005 – May 31, 2006. Items of significant variance are identified below.

Income

Late fees are 48.7% above budget (\$2,379.10 vs. \$1,600).
Rental Income is 12% over budget (\$2,700 vs. \$2,400). Vending income is 30% under budget (\$2,043.89 vs. \$2,890) with vending expenses under budget by 100%.

Expenses

Overall normal operating expenses are 1.3% over budget in the amount of \$3,190.88 as of May 31, 2006.

Legal, Vending, Roof Repairs, Water Damage Repairs, Fire Logs, and Printing are all 100% under budget.

Office Supplies & Postage

This account is over under budget 47% as of May 31, 2006

Contract Labor General

This account was under budget 78% (\$2547.31 vs. \$11,800).
This number will change when the \$3,500 in account 715 is transferred.

Decorations

This account is 70% under budget.

Common Area Cleaning

This account is currently over budget 16%. This overage due to additional time spent this past winter shoveling. Also time spent in April sweeping the parking lot.

Insurance

This account is 43% over budget (\$16,896.99 vs. \$11,780).

Trash

The trash expenses are 10% (\$11,289.72 vs \$10,242.00) over budget.

Grounds

This account is 30% (\$1,335 vs. \$1,900) under budget. This reflects the accounts 700 grounds and 701 plants.

Hot Tub/Pool Supplies

This account is currently over budget 157% (\$6,416 vs \$2,500). This is the result of having to replace the heat exchanger and several motors.

Maintenance Repair

This account is currently under budget 72% under budget.

Snow Plowing and Roof Shoveling

Plowing is 24% over budget and Roof Shoveling is 94% over budget due to the heavy snow fall this winter. We seem to be entering a phase where snowfall is increasing and the budget for 06/07 reflects additional money allocated to this area.

Maintenance Supplies

This account currently shows 95% over budget. This account currently reflects \$3,587.41 of labor contracted for completion of maintenance. This will be moved to 610 Contract labor.

Capital Expenses

This account was charged with \$25,270.03 of expenses. When the 2004/2005 budget was approved there were no monies allocated to this account. This includes \$6,500 for stucco repair; pool cover \$8,460; replacement of 8 windows in south wall for \$5,986.59; repair of roof and concrete at west entry \$3,320.

Approved Budget June, 2006 - May, 2007

At the end of this section is the approved budget for the 2006-07 fiscal year. Normal increases for utilities are budgeted for. The proposed budget shows a 27% increase from the previous budgeted amount.

This budget is based on an increase in the Association dues of \$100.00 per month that was effective June 1, 2006.

Capital Expenses are based on projected projects.

Budget Summary Approved 06/07 Budget

545 – Appraisals increased to \$750.00

No previous budget.

550 – Audit

This line item is increased to \$2,200.00

555 – Bank Charges – No change

560 – Board of Directors – This account has increased to \$850.00. This reflects the change in composition of the Board and also increased activity by Board Members.

570 – Legal – \$1475 has been budgeted to cover cost of proposed declaration changes.

580 – Management Fees – The new management fee is \$28,488 this is a 16% increase.

585 – Postage – this account has been increased for June to allow for mailing information for HOA Meeting and declaration mailings if needed.

610 - Contract Labor General – This account see an increase to \$12,600 this allows for some of the proposed maintenance projects.

616 – Capital Repairs
This account to be discussed an completed at meeting March 31, 2006

617 – Roof Repairs – No change

620 – Stucco Repairs – The \$9,800.00 budgeted is to repair stucco around the new rails, the extensions being removed and the areas around new concrete decks on first floor.

636 – Vending –Both income and expenditures have been adjusted to more accurately reflect current revenue.

637 – Decorations – Budget reduced to \$750 from \$1000. Purchase of artificial wreaths and bows reduces need. Purchase of exterior plant baskets moved to 701.

638 – Cable Television – New numbers include cost of wi-fi service and as of January 2006 a 5% proposed increase in service.

640 – Common Area Cleaning – increased \$4,358.00. This is budgeted at the same 1,089 hours as last year. This number reflects the increase in the billing rate.

645 – Electricity – This number remains the same as REA had only a 3% increase in January, 2006 not the 6% anticipated.

660 – Insurance – Increased \$5,701 based on new premium

670 – Trash – \$3,168 increase based on projected increases in service and recent history.

680 – Natural Gas – Increased gas budget by 17% for expected rate increase

687 – Water & Sanitation – There is traditionally a 4% increase in this service each January. This is reflected in the new budget number of \$37,700.

688 – Water Damage Repair – No change.

690 – Chimney Cleaning – This is the year we should level 2 inspections and this cost will be \$8,364.00.

697 – Fire Protection – No change.

698 – Firelogs – This number increased \$2,200.00 based on current quote for logs.

700 – Grounds – Budget of \$1900 anticipates need for work after construction.
Also labor to meet state requirement for removal of noxious weeds on property.

701 – Plants – 06/07 budget for plants. Reduction of the decorations budget to \$150.00

705 – Hot Tub/Pool Supplies – Budget \$3,000.00

706 – Hot Tub/Pool Labor - \$9,300.00 this is the charge for daily checking of pools.

715 – Maintenance Repairs – \$8,400.00 this reflects the deduction of labor for checking pool and hot tub.

730 – Snow Plowing – The snow plowing budget has been increased to \$18,600.00 based on plowing costs for 05/06.

740 – Snow Shoveling - Roof – This account had a budget of \$9,800 for 05/06 and we have a proposed budget of \$20,000.00 for this year based on actual expenses.

750 – Maintenance Supplies – \$6,000.00

755 – Housekeeping Supplies – \$480.00

760 – Printing – This has funds allocated for printing stationary.

765 – Interest – No change.

770 – Depreciation – No change.

Walt Mauro (236) and Al Allen (236) expressed concern about the increase in the insurance premium. It was decided that the results of the property audit conducted by underwriting for our carrier would be posted on the website for owner review.

Craig Korn (344) asked why 1 bedroom units and 2 bedroom units paid the same association dues. Kathy Morgan explained that the dues structures were broken into residential and commercial areas. The residential dues were the same for all units no matter size. Kendall Collins agreed that access to Association amenities were the same for all units irregardless of size. Kathy pointed out the for the dues and assessments structure was set out in the operating documents and to be changed would require a change to those documents.

Mr. Allen (142) asked if the budget could reflect non-recurring expenses. This would allow owners to see normal operating expenses and differentiate between the non-recurring expenses that inflate the budget.

Walt Mauro asked if the Association had any employees. It was discussed that all employees performing work at Three Seasons were either independent contractors or employees of the management company. Several scenarios were discussed under which the Association has and may in the future consider employees.

The hot tub was discussed in detail. Mr. Mauro was concerned about the lack of access to the hot tub by owners when the front desk is closed. He also expressed distaste for the current unattractive gates being used to secure the area. Josh Quentzel agreed that the gates were unattractive however, they were free and have thus far been an effective stopgap to the problems we were having. Several options to increase owner access were discussed. However, no definite answers were arrived at during the meeting as the final and ultimate liability still lies with the Association. This matter will receive further discussion and consideration at the Board of Directors meeting later today and again at the August 25th meeting.

Walt Mauro (236) asked about permanent parking passes for owners. Paula Dietrich stated that we already provide owners with passes good for 6 months. This allows owners to get new passes to accommodate new cars and visiting friends and family as needed.

Old Business

There was no old business.

New Business

Kathy Morgan presented the Owners with a proposed set of new Rules and Regulation for consideration. The proposed new Rules and Regulations will bring the Association in compliance with the provision of the Colorado Common Interest Ownership Act (CCIOA) as amended by SB05-100 in 2005.

Alex Allen questioned the wording in Section 10 – Compensations, and suggested that wording be added to ensure compliance with CO state law.

Josh Quentzel suggested that the language “in addition, pursuant to SB-100 and whatever the exact site is and basically incorporate any necessary language” into Section 10 – Compensations.

Tony suggested adding to Article II the phrase “in accordance with the terms and conditions of the Declarations and Articles of Incorporation, the By-Laws and any local and state regulations” which he advised would sufficiently allow for the SB-100 requirements, now and in the future.

Josh stated the following:

1. Article II, section 1, we have the continuation of the By-Laws of this corporation and Kathy added that we amend that sentence with a provision for CCIOA of 1998 and SB-100 2005.

2. Article VI, Section 1, last sentence should be edited to read: Each director shall hold office for three years, deleting the words “except as provided in section...”
3. Under same Article, Compensation, adding language to the end: “Adopted by the board of directors before services are undertaken and in compliance with...(federal, state and local regulations)”.

Josh Quentzel made the following:

Motion: Given those 3 changes to the material as written, move to rescind the current By-Laws for the 3 Seasons Association and then adopt, with the noted corrections, the amended By-Laws.

Seconded: Jeff Steere

Vote: Unanimous Approval

Members Open Forum

Jeff Steere suggested the Association needed a plan going forward for the renovation of the building. He expressed concern past Boards had not done enough to maintain the building and now the current Board and owners were bearing the weight of this responsibility. Josh Quentzel cautioned that there was only so the building could be and that we not get carried away and “flush money on aesthetics”.

Kendall Collins suggested he would like to see a monthly newsletter to owners with a letter from a Board member about the Association.

There were additional ideas for the website including a bulletin board and a director’s only section where owners could communicate with directors only.

Jeff asked owners present to vote on the following items, their importance and the interest in repairing or changing them:

- Double doors to meeting room – no interest
- Security lights – safety concern needs to be addressed
- Paint walls in common areas – needs to be done
- Shingles, interior – need to be oiled
- Shingles, exterior – except where sign removed not a major item
- Seal coat parking lot – needs to be done
- Rock facing on building – not now
- Exterior landscape improvements –minimal and low maintenance
- Security Doors – needed but what is the cost?
- Expand deck on south side of building – cost very interested

Tony Sansing wanted to share with the members and Board present that many concerns he and his wife Linda heard during the weeks prior to the meeting from the owners they contacted. The foremost concern was lack of communication.

Many owners in the short-term rental pool were concerned about the marketing CBL would be doing, would they continue to do business in the area, and concerns about rentals being down. Wanda and Kendall promised to address these concerns. Owners

also asked about different methods of assessments with a comprehensive plan for assessments. The elevator was mentioned again.

Unscheduled Business - None

Establish Date of Next Meeting

The date of the next annual meeting was set for June 18, 2007 at 9:00a. in the Three Season Meeting Room.

Jeff Steere suggested that the date of the next Board of Directors meeting be set. The Board of Directors will meet at 4:15pm today and again on Friday, August 25, 2006 at 1:00pm in the Three Seasons Meeting Room.

Adjourn

Jeff Steere made the following:

- Motion:** to adjourn the meeting
- Seconded:** Toby Rippetoe
- Vote:** Unanimous Approval

Meeting adjourned at 3:10 pm..

Approval: _____
Tony Sansing, Secretary/Treasurer

Date: _____