

**Snowcrest Condominium Association
Annual Homeowners Meeting Minutes
Friday, August 5, 2011
Three Seasons Conference Room, Mt. Crested Butte CO**

Call to Order

The meeting was called to order by Randy Leeds at 9:03 a.m.

Proof of Notice

Notice was mailed or email to owners 42 days prior to the meeting. A copy of the notice was included in the meeting packet.

Roll Call/Establish Quorum

Owners Attending in Person or via Phone	Unit Number	% of ownership
Bathje	7	2.7
Powers	8	2.7
Buck	9	2.7
Fauser	14	2.7
Fry	16	2.7
Dobson	17	2.7
Bartholomew	19	2.7
Bole	20	2.7
Howalt	21	2.7
Lockwood	23	2.7
Leeds	30	2.7
Wiseman	31	2.7
Kobernik	35	2.7

Owners Represented by Proxy	Unit Number	% of Ownership
Simmons	2	2.7
Bender	5	2.7
Roth	6	2.7
Bartholomew	19	2.7
Higley	24	2.7
Conrad	25	2.7
VanBremmelen	27	2.7
Longe	32	2.7
Wincott	36	2.7
Bobker	37	2.7
Hunter	26	2.7

A quorum was established with 64.8% of the membership present or represented by proxy.

Crested Butte Lodging and Property Management (CBL) staff present:

Wanda Bearth
Grant Benton
Patrick Seaman

Reading/Approval of Past Meeting Minutes

Stacy Leeds made the following-

Motion: Waive the formal reading of the July 30, 2010 minutes and
accept as written.
2nd: Cathy Kobernik
Vote: Unanimous approval

Reports

President's Report was delivered by Randy Leeds:

This was a transition year for our association. We started out with a new management company which always has its adjustments working with new people that have new and differing ideas. For the most part the transition has gone very well; which as it turns out was very fortunate for me. My professional life this last year turned out to be one of the most hectic of my career and I found myself with very little time to watch over and participate in Snowcrest business. Fortunately, CBL with their experience and team of professionals took over the reins and didn't really need much help from me. It was a little different not having to make decisions or be as involved on a weekly basis.

Beyond transitioning to a new management team; the only major endeavor was the start up of the moisture mitigation project. As with many projects there was a learning curve involved figuring out exactly what was needed to complete the first 4 units. Those units came in approx. 25% over what we had originally estimated. This year CBL with the learning curve behind them were able to complete several more units at well below our original estimates. The details of which will be discussed later in the meeting.

In summary I am very pleased with how smoothly this transition year turned out and expect the future to be even smoother as the Board and CBL continue to get to know and understand each other better.

Manager's Report was delivered by Grant Benton:

The following work was performed on the Snowcrest property by Crested Butte Lodging's maintenance staff under the direction of the maintenance manager Christopher DeFelice and property manager Grant Benton.

Along with the standard repairs and upkeep such as: plowing, landscaping, and common cleaning, there were a number of other tasks. Some of the larger projects are listed below:

1. Working with Al's Backhoe we performed some sewer clean out work.
2. Rebuilt some of the common furniture.
3. Brought the hot tub up to date with accessible hot tub emergency shut off.
4. Removed old paint around handrail spindles and repainted.
5. CBL had the roof repaired as needed.
6. CBL will schedule the inspections of the common fire extinguishers with our other HOA's before November 15th.
7. Called in Mountain Clean to clean out the common dryer vents.
8. Assisted Plateau Engineering with the installation of: Insulation, Fans, Vapor barriers, Duct work, and Electrical work for 4 crawl spaces in the summer of 2010. In July 2011 we hired Brian Hearn Mechanical to do the exact same type of work for 6 other crawl spaces for more than ½ the cost of Plateau Engineering. After the 6 crawl spaces are completed and inspected by CBL's Maintenance Manager – Christopher DeFelice – we will work with the Board to determine how many more crawls spaces we can work on before winter.

Capital projects pending: Painting/Stucco- After August 10th, we will contact painting contractors and decide on painting the interior walkways, and then install new CFL or LED light fixtures

Since this was CB Lodging's first full year managing Snowcrest Condos we were getting the feel from owners and Board members with how they like their homes and buildings managed. CBL plans on working with the Board to dial in any problems or concerns the owners or Board members might have now or in the future. We do our best to treat your home like it was ours – we try to balance the needs of the community with the funds of the community.

Ron Kobernik added that homeowners could have the floor insulated at their own expense. The current contractor can do the work if homeowners are interested. Randy Leeds mentioned that his crawl space has been completed without the floor. Mike Bole noted that there were additional repairs needed in his crawlspace so homeowner's may want to have the crawlspace inspected.

Wanda pointed out that the bridge has been freshly sandblasted and stained in preparation for the US Pro Cycling Challenge and was done at the Town of Mt. Crested Butte's expense.

Financial Report- Prepared by Doug Gorman, CPA

Wanda summarized the financials as prepared by Shirley Saunders in Doug Gorman's office. Available cash at the end of the fiscal year was approximately \$38,000. The association realized a surplus of \$4,300 even with a large write-off due to bad debt (\$11,243). As of July 25, 2011, just one homeowner was in arrears.

Ron pointed out that CBL has done a great job curing delinquencies thanks in part to the Board enabling penalties for homeowners in arrears.

Old Business

Crawl spaces – Work is being done in units that do not have garages. The cost has come down greatly since last summer’s work due to the new contractor hired. CBL will have the contractor note any other issues found in the crawl spaces. Vents should be coordinated with homeowners as to where to locate them. If a homeowner feels the current vent is unacceptable, CBL will have the contractor move the vent. Randy cautioned homeowners to not block the vent regardless of location. CBL will contact homeowners for scheduling purposes and for the location of the vent. Homeowners can insulate the floor, at their expense, if their crawl space has already been vented.

New Business

Wi-fi Internet – Many homeowners have experienced problems with the internet. Due to the amount of concrete in the complex, the signal is weak within many of the units. RB suggested terminating the wi-fi set up due to the problems and to cut costs for homeowners. William proposed trying to enhance the signal at a minimal cost. RadioShack should have some responsibility in fixing the issues as well. Randy suggested starting with some investigation on a fix or a permanent solution. CBL can attain bids and speak to other contractors that may have a better product. CBL has contacted the contractor that installed 2 neighboring association’s wi-fi already to look at the system and see if he can use the existing infrastructure or bid on a new system.

Randy Leeds made the following-

Motion: Abandon the wi-fi system completely.
2nd: Bruce Fauser
Vote: 2 owners in favor, everyone else opposed. Motion did not carry.

RB Bathje made the following-

Motion: Evaluate the contract for the current installation and have a decision on changing/fixing the internet by 1/1/12.
2nd: The motion was not seconded.

William Buck made the following-

Motion: Proceed with checking accountability on current set up, evaluate expenses for upgrading, or replacing the system by 1/1/12.
2nd: The motion was not seconded.

The Board directed CBL to evaluate the concerns and solutions as soon as possible starting with evaluating the current contract and see if Snowcrest has any recourse. If the cost is substantial the Board will seek homeowner input on how to proceed. Some homeowners commented that they will visit and stay longer if they are able to have internet to be able to conduct business.

RB brought forth a list of items he has noticed around the property: The stairs are a concern whether they will last 10 years. He would like to have a roof inspection done after the snow stops falling as there are currently missing vent crickets. Landscaping terraces in the center of the complex appear to have shifted and the ties appear to be 3” lower than they were a few years ago. He thought it would help to drain the hot tub away from the terraces and possibly

reduce watering in that area as well. Fire concerns with the boardwalks. There are gaps between the planks and cigarette butts can get below the dry timbers. Possibly post no smoking signs to avoid fire concerns. There is a concern that personal firewood would contribute to fire concerns. He would like to have trailers park out of the way. Dumpster fills quick in peak months. Railing on boardwalk needs to be addressed – it's in rough shape. Drainage grate in parking lot appears to be clogged with debris and needs to be cleaned out. Siding over the garage doors is showing signs of weathering and could use a new coat of paint. 4 of the garage doors are original and may need to be replaced.

Randy noted that many of these issues are being addressed currently including the roof crickets. Grant has roofer coming out that will look and suggest a better solution than the current crickets.

RB – Can the Association benefit from the upcoming bike race (i.e. renting the bridge)? William noted that it will be controlled access including weight limits and minimizing usage.

RB – 10 year plan. When sewage is addressed, the stairs, terracing and parking lot should be addressed at the same time. RB suggests abandoning the internet to help pay for these large upcoming costs. Address parking lot entrance manhole that is missing chunks of concrete and address the garage doors before long. He would like the Association to save over the next five years for large projects coming in approximately 2016.

Randy noted that the sewer at the head of the parking lot is a storm sewer. Some of the projects can be done individually and not all of the big work necessarily has to be done at the same time. Next 5 years is predominately focused on the crawl space moisture issues. The Board has been trying to avoid the large special assessments that other Associations have been incurring. The 10 year plan is not fixed and things will naturally come up or be delayed as things fluctuate.

Brian Powers mentioned that a lot of the large expenses continue to be a money drain including the hot tub, roof, and wi-fi internet. The Board is trying to come up with better more permanent solutions to some of these issues. The roof was put on for approximately 200k less than the next lowest bidder. The Board is trying to do their best to save the HOA money and provide the best service possible. Crested Butte Lodging has greater resources than prior management and can help oversee current and future projects to assist with eliminating issues and additional expenses.

Homeowners are to get Board approval if they do anything that affects the appearance of the exterior of the building.

Randy pointed out that the Association looks incredibly better than it used to and the Association has come a long way.

Mike Bole brought up the fact that when he arrived there were many weeds and overgrowth in terraces which have been since been fixed. Due to the high costs of landscaping, Mike suggested going “natural” with wildflowers to save on landscaping expenses. The Board is going to address the landscaping expenses at their meeting following the Homeowner meeting. Mike also suggested adding flower baskets to perimeter units and in the hot tub area. Per the rules, the lower units are not allowed to have anything on their decks besides

green chairs and firewood. Mike thinks the curb appeal is really from the Gothic side and not the parking lot side.

Back patio windows – All exterior windows including patio and sliding glass doors are the responsibility of homeowners. The Board has to approve of new windows and doors before installation. There are general guidelines that the Board can give to interested homeowners.

Mike Bole would like to see more information shared on the website as many homeowners experience the same issues. CBL will look into adding an owner comment section on the website to allow for homeowner input.

Declaration Amendment: There is language in the declarations allowing units to be sold for use as a timeshare which is prohibiting some homeowners from getting financing in the current economy. 67% of homeowner vote and 100% of mortgagees would have to approve of the changes. The cost is roughly \$2,500 to have a small change made, however Snowcrest has a lot of timeshare language so the cost estimate is \$5,000-\$7,000. The second option would be to record a statement prohibiting timeshares which would be much less costly. The concern is that a title company might miss the statement in their research. The attorney feels that this statement would satisfy lending institutions and allow homeowners better success at attaining financing. A statement would cost approximately \$2,500 to have the statement written and filed. There could be a possible assessment or a cut in another planned improvement to pay for this. There is some homeowner concern of the cost.

Ron Kobernik made the following-

- Motion: Take a yes/no vote of the membership to move forward with re-writing of the declaration to remove timeshare language and update to current compliance.
- 2nd: Stacy Leeds
- Vote: Bruce Fauster opposed, all others in favor of re-writing the declaration

Election of Board Officers

Randy Leeds, Richard Wincott, and Chris Bartholomew's terms are expiring.

RB Bathje made the following-

- Nomination: Randy Leeds for the open 3 year term
- 2nd: Jerry Howalt
- Vote: Unanimous approval

Ron Kobernik made the following-

- Nomination: Richard Wincott for a 1 year term
- 2nd: Tom Wiseman

RB Bathje made the following-

- Nomination- RB nominated himself
- 2nd: Bruce Fauser
- Vote: Richard Wincott won the election by majority vote held by secret ballot

Jennifer Powers made the following-

Nomination: RB Bathje for the other open 1 year term
2nd: Bruce Fauser

Cathy Kobernick made the following-

Nomination: Jerry Howalt for a 1 year term
2nd: Stacy Leeds

Vote: Jerry Howalt won the election by majority vote held by secret ballot

The 2011-2012 Snowcrest Board:

Randy Leeds, 3 year term expires 2014

Richard Wincott, 1 year term expires 2012

Jerry Howalt, 1 year term expires 2012

Ron Kobernik, 3 year term expires 2012

William Buck, 3 year term expires 2013

Establish Date of Next Annual Meeting

The next annual meeting will be held on August 3, 2012. Official notification will be sent 30-50 days prior to the meeting.

The meeting was adjourned by Randy Leeds at 11:43 am.