

**Snowcrest Condominium Association
Annual Homeowners Meeting Minutes
Friday, July 30, 2010~ Three Seasons Conference Room, Mt. Crested Butte CO**

Call to Order

The meeting was called to order by Randy Leeds at 9:00 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	Unit Number	% of ownership
Miller	1	2.7
Bathje	7	2.7
Buck	9	2.7
Fauser	14	2.7
Bartholomew	19	2.7
Howalt	21	2.7
Lockwood	23	2.7
Conrad	25	2.7
Leeds	30	2.7
Longe	32	2.7
Kobernik	35	2.7
Wincott	36	2.7

Owners Represented by Proxy	Unit Number	% of Ownership
Simmons (Leeds)	2	2.7
Schoenebeck (Leeds)	3	2.7
Bender (Leeds)	5	2.7
Roth (Leeds)	6	2.7
Polesky (Kobernik)	12	2.7
Murphy (Leeds)	13	2.7
Fry (Howalt)	16	2.7
Dennison (Leeds)	26	2.7
Wiseman (Buck)	31	2.7
Bobker (Leeds)	37	2.7

A quorum was established with 59.4 % of the membership present or represented by proxy.

Crested Butte Lodging and Property Management (CBL) staff present:
Wanda Bearth
Lee Friedman
Grant Benton
Jenni Seaman

Reading/Approval of Past Meeting Minutes

Stacy Leeds made the following:

Motion: To approve the minutes from the July 31, 2009 meeting with the following change: correct the date held from July 31 to July 30
Second: Jerry Howalt
Vote: Approved by Majority Vote

Reports

President's Report

Generally speaking this year went pretty smoothly. In my opinion the complex as a whole is looking better than I have ever seen it during my 12 years of ownership. We did not undertake any large capital projects this year in an effort to balance the budget and offset last year's carry forward deficit of \$15,000. On paper it worked, however the projected budget was overly optimistic and we fell short of our goal to eliminate the carry forward deficit. This year the carry forward deficit is approx. \$10,000. This year's budget is a little more realistic and with the small increase in dues we will try again to get ourselves operating in the black.

We did get the Wi Fi project completed, but there are still a few areas in the project with reception issues. If you are having issues, please let the management company or a Board member know about it.

In May the Board approved a change in Management Companies. This was mostly due to the uncertainty of the direction and long term goals of Kendall Collins and CBC, as well as lowering our management fees. Our new Management Company is Crested Butte Lodging. They will officially take over all management duties starting August 1st.

Manager's Report

Building Maintenance- 2009 Completed Projects

1. Stucco-Replacement completed.
2. WiFi- Wireless internet has been installed and is now working well after several months of working out some kinks in the system.

Building Maintenance- 2010 Completed Projects

1. Paint- Handrails and cedar siding have been painted.

2. Electric- Outdoor electrical outlets have been repaired and additional outlets have been added.
3. Plumbing- All hose bibs have been changed out.
4. Landscaping- Additional efforts have been made to repair the receding landscaping on the lower level. This has been addressed with new trees and colorful flowers. A new drip system has been installed in the common area stairway.
5. Stairways- Common stairways were in disrepair and they have been replaced.

Building Maintenance- 2010 Completed Projects

1. Bridge- bridge repairs are ongoing
2. Sewer- Major sewer repairs have been made below unit 20 and 21. Your new property manager, Crested Butte Lodging & Property Management, INC, will follow up with the completion of this project.

Financial Report- Prepared by Doug Gorman, CPA

Income/Expenses

The Balance Sheet for the Snowcrest Condominium Association reflects a total amount of \$10,494.92 in checking and savings accounts as of April 30, 2010. The Undeposited Funds account holds \$2,920.00 to be deposited in May, 2010.

The Accounts Receivable totals \$28,424.71 which includes \$6,073.65 of current and prepaid dues, \$19,849.08 of outstanding dues, \$1,287.98 of late fees, and \$1,214.00 of outstanding special assessments. One homeowner still owes the \$750 special assessment billed in October, 2008 (this unit is currently in foreclosure), and three homeowners still owe the \$116 assessment billed November, 2009. Two of these large outstanding accounts were paid in full in May, 2010. The Accounts Payable total of \$6,345.86 is for general utilities and maintenance. \$18,270.41 is the current amount owed to Community Banks for the line of credit originally opened for \$25,000.00.

The Profit & Loss as of April 30, 2009 reflects a net operating profit of \$7,186.94 and a net capital loss of \$149,645.79, reflecting an overall net loss of \$142,458.85. The large capital loss has occurred because the special assessment to cover all but the Wi-Fi expenses was recorded as income in the fiscal years ending April, 2007 and 2008. Gross operating income of \$207,851.19 includes \$5,977.41 from vending income, rental income, and late fees. \$75.78 is from bank interest income. Operating expenses total \$200,664.25. Capital income of \$27,824.00 includes the \$4,292.00 special assessment for the Wi-Fi installation, and the remaining \$23,532.00 is from an allocation of dues billed each month of \$5,772.00 for future projects and \$17,760.00 for the roof fund. Capital expenses incurred total \$124,916.29 for the stucco project, \$39,509.44 for road repairs, \$6,213.03 for the Wi-Fi project, and \$6,831.03 for miscellaneous capital expenses.

Budget

Budget The Profit & Loss Budget vs. Actual, May 1, 2009 through April 30,2010 represents the actual income and expenses compared to the budget for the fiscal year. The variance reflects an \$11,020.85 deficit between actual figures and budgeted figures, comprised of an operating shortfall of \$8,343.06 and a capital shortfall of \$2,677.79. The operating shortfall consists of budget overages mainly in the areas of major repairs (\$3,395.15), snow removal (\$2,607.49), landscaping (\$2,152.11), and maintenance labor (\$2,054.00). The net variance in the remaining accounts totaled a surplus of \$1,865.69 which can be attributed to increased late fees, reduced cleaning labor, and reduced utilities. Capital projects ran \$6,969.79 over budget, although \$6,213.03 of that was the unbudgeted Wi-Fi project.

Old Business

Central Stairway redesign and replacement- stairs will be temporarily repaired now and replaced in the future. RB Bathje questioned the repair versus replacement of the stairs.

Moisture Issue in Crawl Spaces- The board has placed a priority on resolving the moisture issue.

New Business

Erosion control on Gothic bank- The town of Mt. Crested Butte is looking for approval from Snowcrest with regards to their plan to control the erosion on the bank to the south of the property. The work may include building a berm near the top to redirect water to the Villa's swale. The deep ditch-like cuts would be filled and the bank would be seeded and watered until the vegetation was established. It's estimated that the project may cost approximately \$80,000 and the town is looking into funding options.

WiFi copyright download violations- The HOA received notification from Quest that someone has been illegally downloading copyrighted materials from within the Snowcrest Condominiums. The board will be sending out a notice to all owners and long-term tenants advising them that this download must cease or we may be at risk of having our internet cancelled.

Account Receivables- Wanda Bearth described the methods in place for managing owner's arrearages within other associations that she manages. The board will be addressing accounts receivable, fines and penalties at the annual board of Directors meeting following this meeting.

William Buck made the following:

Motion: To work with management in developing a policy establishing fines and penalties for delinquent owner accounts.
2nd: The motion was not seconded.

Members Open Forum/Unscheduled Business

Door and Window Replacement: Following questions from the membership, Randy Leeds advised that the replacement of the doors and windows is the financial responsibility of the unit owner. Wanda Bearth reviewed the operating documents and found that Section 19 of the Declaration does

assign such responsibility to the unit owner. Homeowners were reminded that they need to get the Board's approval prior to replacing doors and windows so that they can verify the color and styles are fitting with the complex.

Election of Board Officers

Jerry Howalt made the following:

Motion: To elect William Buck to another three year term
Second: Cathy Kobernik
Vote: Approved by Majority Vote

William Buck made the following:

Motion: To elect Richard Wincott to a one year term
Second: Jerry Howalt
Vote: Approved by Majority Vote

Ron made the following:

Motion: To elect Chris Bartholomew to a one year term
Second: William Buck
Vote: Approved by Majority Vote

The Snowcrest Board:

Randy Leeds, 3 year term expires 2011
Richard Wincott, 1 year term expires 2011
Chris Bartholomew, 1 year term expires 2011
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 5, 2011. Official notification will be sent 30-50 days prior to the meeting.

Adjournment

The meeting was adjourned by Randy Leeds at 11:30 am.

Minutes reviewed by the Snowcrest Board of Directors August 31, 2010.
Minutes will be reviewed and adopted into the formal record by the homeowners at the next annual meeting, August 5 2011.