

**PLAZA CONDOMINIUM ASSOCIATION  
HOMEOWNERS' MEETING AT  
MT. CRESTED BUTTE, COLORADO  
AUGUST 1, 2008, AT 9:30AM**

MEMBERS PRESENT: Sidney Pinkston  
Greg & Patricia Burns  
Andrew Mazloom  
Alvin & Nancy Roselin  
Harry & Gail Ludewig  
Max and Andi Evans  
Ronny and Carolyn McCutchin  
Bruce Jackson  
Terry and Mary Toole  
Scott and Marcia Stagner  
Giorgio Favia  
Andy Konen  
Ben Scott  
Mitch Burnbaum

MANAGEMENT COMPANY  
PRESENT: Lynn Kiklevich  
Danny Myers  
Toni Wilson  
Eli Haine

Sidney Pinkston, President, opened this year's meeting at 9:30 AM by welcoming everyone present. It was established that a quorum of homeowners was represented at the meeting; 60% of the homeowners were either present or represented by proxy.

UNIT	OWNER	ATTENDING/PROXY/CONF CALL	% of Vote
31	William and Kathleen Bahr	Jim Cassaro	
32	Plaza Association		1.523
33	Andy Mazloom	Will Attend	1.683
34	Blaine McAnally		
35	Firehouse Grill	Will Attend	3.462
36	Employee Unit		0.426
37	Employee Unit		0.218
38	Employee Unit		0.23
131	Stephen Berenson	Toni Wilson	1.479
132	James and Kathleen Reese		
133	Derek & Pauline Carstens		
134	John and Kathymarie Blair	Danny Myers	1.874
135	Maxwell and Andrea Evans	Will Attend	1.479
136	William & Lyn Frates		
231	Sidney & Barbara Pinkston	Will Attend	1.479
232	Sidney & Barbara Pinkston	Will Attend	1.479
233	Frank Yates		
234	Frank Yates		

235	Terry & Mary Toole	Will Attend	1.479
236	Bill Fountain	Danny Myers	1.479
237	Randy Hertz		
238	Stephen DeLaroche		
239	Snowflakes and Wildflowers LLC	Danny Myers	1.874
240	Jim & Charlotte Finley		
241	Barbara Kleinhoff	Danny Myers	1.479
242	Don Brown	Sydney Pinkston	1.479
331	Greg & Patricia Burns	Will Attend	1.479
332	John Gibson, Ltd	Will Attend	1.479
333	Judith and David Eichel		
334	Ron Paasch		
335	Alfredo & Gloria Sotolongo	Danny Myers	1.479
336	Scott and Marcia Stagner	Will Attend	1.479
337	Ray and Sherrie Nichols	Jim Cassaro	
338	Michael & Linda Englehard		
339	Giorgio Favio	Will Attend	1.874
340	Alex & Lisa Roddey	Danny Myers	1.874
341	Andrew and Monti Konen	Will Attend	1.479
342	Randy Hertz		
431	Slate River Investments, LLC	Will Attend	1.479
432	Robert & Shirley Geier	Danny Myers	1.479
433	Diane Whatley Brown		
434	Arnie and Melanie Casciato		
435	Slate River Investments, LLC	Will Attend	1.479
436	Michele Albano		
437	Al and Nancy Roselin	Will Attend	1.479
438	Harry & Gail Ludewig	Will Attend	1.479
439	Betty Whiteside	Sydney Pinkston	1.874
440	David & Michelle Moore	Danny Myers	1.874
441	Phil and Amy Poholski	Danny Myers	1.479
442	James Cavendar	Will Attend	1.479
531	Nancy Thomas	Jim Cassaro	
532	Bill & Jeanne Shirk		
535	Walker & Greg Milnor	Gregg Burns	1.479
536	Jody Helbling		
537	Aldo & Amy Kosuch	Gregg Burns	1.479
538	Chris & Ken Duncan		
539	Dr. Mitchell Burnbaum	Will Attend	1.874
540	Jack & Carolyn Bertelsmeyer	Toni Wilson	1.874
541	John & Elizabeth Bruns		
542	Ronald L. McCutchin	Will Attend	1.479
637	Billy Powell		
638	David Nesbitt	Danny Myers	1.479
641	Mary C. Utley		
642	Bob Berger	Sydney Pinkston	1.479
	<b>TOTAL REPRESENTATION:</b>		<b>59.509</b>

MOTION: By Sidney Pinkston to waive the reading of the minutes from the last meeting and approve. Ben Scott seconded. Unanimous Approval

**OFFICERS REPORT**

Sidney Pinkston shared that as an original owner, he felt that The Plaza has always set the bar for quality, and while he understands that several properties have been built recently that set a new standard, he feels The Plaza has to pay more attention to their appearance and that it is

not looking very good right now. He feels it is now time to seriously consider spending the funds necessary to look our best. Sidney expressed the desire to get input from all regarding what is important to be done first and what is generally affordable at this time.

## **MANAGERS REPORT**

Danny reported that his Manager's Report is included in the packet and that Ken Stone will be joining us soon to expound on some of those topics and to share the Resort-wide prospective on happenings and initiatives underway for the 2008-09 season.

### **Maintenance**

Danny Myers shared that more and more general maintenance is being required at The Plaza. With the emphasis on the snow this past winter, Danny acknowledged the curb-appeal concerns expressed by Sidney are valid and that more attention will be paid to getting The Plaza looking better. A main focus for an upgraded look and improved safety this past year has been the Railing Project, which is progressing daily. Six of 12 unit stacks have been completed and 90% of 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> floor walkway railings have been completed. The rest of the railings are scheduled to be installed over the next month and a half.

Scott Stagner suggested that the hot tub railings be painted to match the new walkway railings. Those owners in attendance expressed agreement. It was also confirmed that the railings around the creek deck area were included in the renovation and included in the current assessment. In addition, Danny shared that the south facing, ground level railings would likely be removed and not replaced and landscape added to reduce the drop to 18 inches instead of the current 3 feet.

Danny next reminded those present of the remaining projects, in addition to the railings, that were included in last year's Capital Upgrade discussion and its \$2,000,000 budget. Those remaining projects include:

- The chimney chase facelift that would entail removing the wood siding and replacing it with a painted or colored stucco. Including new signs and lighting, the estimates on cost currently are \$165,000: \$2,400 for a 2-bedroom unit and \$3,000 for a 3-bedroom.
- Replacing the 3<sup>rd</sup> Floor pavers with a heated concrete surface or pavers, approximately \$370,000: \$5,500 for a 2-bedroom; \$7,000 for a 3.
- Replacing all the unit windows and sliding glass doors with an aluminum-clad wood window that would match the current interior color and the exterior railing color. Estimates are \$750,000: \$11,000 for a 2 and \$14,000 for a 3.

Following input from the owners, it was felt the chimney chase project could still be assessed for and completed this fall; the 3<sup>rd</sup> floor project could be done as early as next summer; and the window replacement project could be done next summer or later. Owners will be kept aware so they can plan for any upcoming assessments.

Sidney shared that an option for the 3<sup>rd</sup> floor could be removing the sky lights entirely, which would eliminate minor dripping problems into the lobby that have been occurring for years. Also, by installing a heated system, the large expense of removing the snow from the 3<sup>rd</sup> floor

deck would be eliminated, and while replaced by the cost to run the boiler, it is anticipated to be less than snow removal costs. Owners interjected the importance of considering light replacement for the lobby, as well as making sure any new surface was not slippery. It was noted that both the slope-side deck at The Elevation and the Grand Lodge pool deck are stamped concrete; and a second option of pavers could be viewed at The Lodge at Mountaineer Square. It was also shared that by removing the sky lights, the potential for a park-like feel with appropriate plants and furniture could be achieved at each end of the 3<sup>rd</sup> floor. The general consensus was that a renovation was in order on the 3<sup>rd</sup> floor to replace the pavers and include a melt system.

Danny then introduced Eli Haine as CBMR Properties' new Maintenance Manager working under Jim Cassaro. Eli was asked about the problems with internet access being better on the building's east side than west, where service can not be obtained currently. Eli reported that he has been in regular contact with Room Linx, our service provider, and he is encouraged that a resolution is close (note: service was back on-line the following week).

Danny reported that the electric heat tape snow melt for the east driveway going out of the porte cochere had failed last winter. Efforts are still underway to identify the source of the failure and hopefully correct.

## **GUEST SPEAKER**

### **Ken Stone, VP of Marketing and Sales**

Ken shared that marketing efforts that focus on "the Crested Butte brand" are underway to stress those key aspects that define Crested Butte and attract guests to Crested Butte. He shared that the addition of the conference center at The Lodge at Mountaineer Square combined with The Elevation Hotel and Spa will allow us to bring in professional groups that we have been unable to bring in since 2000 when Club Med took over the current Elevation Hotel. As groups fill The Lodge at Mountaineer Square, The Plaza then benefits from being a prime option for the family guest, just as in years past.

Another key component to bringing in guests is the bolstering of the airline service into Gunnison. This coming winter will see the addition of 8,000 inbound seats including the addition of Delta flights from Atlanta each Saturday and daily from Salt Lake, as well as a new weekly Saturday flight from Chicago on American to complement the current American and United flights arriving daily from Dallas and Denver. Ken pointed out that guests who fly stay an average of 3 days longer than guests who drive, so the new flights are an encouraging trend.

Ken shared that our Kids' World facilities will be upgraded for this coming winter. In addition, more lunch options will be available at the base this coming year with The Pizza Zone coming to the Treasury Building and quick snacks planned for The Outpost building (old Gene Taylor). Across the board, efforts are underway to improve the guest experience and ensure that all aspects of a visit to Crested Butte Mountain Resort meet and exceed expectations. There have also been 4 new prominent, operational staff hires at CBMR to improve mountain operations, ski school, culinary, and communication efforts.

Additional topics touched upon included:

- “Ski Free” from last year has been changed to Stay and Ski Free this coming year, meaning only those guests who pay for lodging in early season will ski for free.
- Efforts to expand to Snodgrass are continuing with the expectation of approval within the next 12-18 months.

## **FINANCIAL REPORT**

### **Balance Sheet**

On April 30, 2008, the balance sheet reflected total assets of \$202,053. Cash on hand totaled \$148,180; accounts receivable totaled \$36,095; and pre-paid expenses (insurance) were \$9,769.

Total Liabilities were \$103,891. Accounts payable totaled \$16,541. The restricted fund balance was \$188,635, and the Operating Fund Balance was (\$90,473).

### **Income Statement**

As of April 30, 2008, the income statement reflects a net margin of \$117,369; this is \$77,578 over budget because the railing expenses were collected but not budgeted on the approved budget. Operating expenses totaled \$395,969; \$78,124 over budget.

### **Variiances**

Budget Variances over \$1,000 include:

**Accounting Fees** - \$1,014 over budget: An in-house audit was conducted at the end of last fiscal year, adding lodging costs to the expense line.

**Chimney Cleaning** – A more thorough Chimney Cleaning inspection was conducted this past year than had been done in prior years.

**Contract Labor** – \$2,761 over budget. Items that might better be classified as Contingency contributed to this overage. They include replacing the entry automatic door motor (\$1,758), troubleshooting driveway heat-melt failure (\$545), replacing a heater and thermostat (\$1,358).

**Contingency** - \$4,174 under budget. In future years, additional items appropriate to this category will be allocated herein.

**Dues, Commercial** - \$7,915 over budget. The HOA’s portion of the railing assessment was paid, but not included in the approved budget (assessment was subsequent to budget).

**Electric** – \$4,399 over budget. Gunnison County Electric Association (GCEA) again raised rates January 1, 2008. In addition, the snow-melt system was on early and often to combat the big snow year.

**Firewood** - \$835 under budget. While this item did not vary over \$1,000, it was found that additional costs should have been charged here, but were instead charged in Maintenance Labor.

**Hot Tub Labor** - \$2,117 under budget. Additional labor charges to the basic, daily opening and closing were kept in check or not necessary this fiscal year.

**Maintenance Labor** – \$6,529 over budget. Not normally budgeted items included \$1,200 to install the storage sheds (revenue was booked in last FY) and \$500 for work on the south

elevator sump pump. A complete audit of this account is being conducted to identify the source of the overages and re-allocate if necessary.

**Snow Shoveling** – \$60,592 over budget. The epic snow year with 400+ inches of snow precipitated extensive ground shoveling, roof shoveling, plowing, and removal of snow from the property.

**Trash Removal** – \$1,227 over budget. Rate increases during the year accounted for this expense item being 10% over budget.

## **2008-09 Budget**

### **REVENUE**

A 7.1 % increase in Operating Assessments has been approved to offset the estimated 9.1% increase in Operating Expenses this coming fiscal year; the increase took effect May 1, 2008. Additional Revenue increases will be generated through strong wireless internet sales (Misc Revenue), a projected increase in conference room rental, and an increase in revenue from the 3 employee housing units. The Capital Assessment will remain constant at \$43,335. The Special Assessment revenue is an estimate of a potential assessment to renovate the chimney chases this Fall. An additional assessment is necessary to fill in last year's snow removal overage of \$60,000. This assessment will be included in this year's budget and will be assessed on the next statements. The unit costs will run approximately \$900 for each 2-bedroom condo and \$1,200 for each 3-bedroom condo.

### **EXPENSES**

Operating Expenses reflect a 9.1% increase over the 07-08 budget. Notable variances to this year's projected actual occur in the following accounts:

**Cable & Internet** - \$1,364 increase: anticipated 6.3% rate increase

**Common Area Cleaning** - \$2,469 increase: 11% increase in hourly charge as the cost of providing services has increased

**Contingency** - \$1,200 increase. Miscellaneous Expenses line decreased and a majority of all un-planned-for expenses will now be placed in Contingency line. \$6,200 is the average experience in recent years.

**Contract Labor**- \$1,200 increase to \$9,200: This line will consist of known Contract Services provided by outside companies. This includes \$4,000 for common area carpet cleaning; \$1,200 for lobby plant maintenance; \$2,000 for Holiday Decorations; \$2,000 for window washing.

**Dues, Commercial Unit** – The HOA must pay the approximately 2% of dues allocated to the commercial spaces at The Plaza. This line includes 2% for Operating Assessments, Capital Assessments, and the potential Chimney Chase Special Assessment.

**Electricity** - \$8,669 increase: This represents rate increases from Gunnison County Electrical Association co-op. The hope is that cost will be curtailed by a concerted effort to reduce usage through conservation efforts, including the use of compact fluorescent bulbs, especially in 24/7 usage areas.

**HOA Meetings** - \$1,000 increase (newly added) to cover Board Conference calls and expenses for the Annual Meeting.

**Hot Tub Labor** - \$1,030 decrease. The \$6,625 budgeted in this line is derived from one hour per day of labor at \$22.50 per hour to open and close the 2 hot tubs for 250 days each fiscal year...plus an additional \$1,000 in labor for anticipated and experienced additional needed maintenance.

**Maintenance Labor** - \$1,425 increase: This reflects a 12.5% increase in the basic hourly rate charge to \$22.50 per hour. The total budget is based on expected and experience maintenance labor needs for a typical year. Skilled and Trade Labor services will be billed to the Plaza HOA at \$35 and \$45 per hour respectively.

**Management Fee** - \$1,680 increase: This is a 5% increase derived from an increase cost to provide Association Management services to the HOA. This rate is anticipated to be re-evaluated every other year.

**Miscellaneous Expense** - \$2,400 decrease: Experienced expenses in this line transferred to Contingency or Contract Labor.

**Snow Removal** - \$3,750 increase: Represents a 12.5% increase in basic hourly rate charge to \$22.50 per hour to account for increased cost of providing service. Snow removal services by outside contractors are also accounted for in this line.

**Water and Sanitation** - \$3,075 increase: Annual increase has been standard practice each January 1.

### **2008-09 Capital Budget**

Approximately \$140,000 of last year's \$340,000 Special Assessment will be expensed this year to complete the Railing Project. The additional \$100,000 in projected Capital Expenditures is a place holder that will occur if a Special Assessment is approved for the Chimney Chase Renovation Project. With the addition of new signage and lighting to that project, it is estimated the assessment would be \$165,000. The final details on the assessment are expected by September 1<sup>st</sup>.

The additional anticipated projects of Window Replacement and Third Floor Upgrade (pavers or concrete and snowmelt) will be postponed at least until next spring. When the Third Floor engineering study is done, an assessment of the cost to run the snow melt system will be included. In addition, Andrew Mazloom asked that the maintenance cost of concrete versus pavers also be analyzed for consideration. Finally, it was noted that last year's annual audit was included in the meeting packet for review by owners.

MOTION to approve the financial report was made by Terry Toole.

Seconded by Scott Stagner.

Unanimous approval.

Ronny McCutchin asked if The Plaza benefits financially from serving as the check-in location for all of CBMR Properties-managed condos. Lynn shared that while the other properties do not pay for having the check-on at The Plaza, The Plaza benefits from guests seeing the property as an option for the future. CBMR Properties will explore this issue at greater depth and discuss it with the Board at a later meeting.

The owners asked also if upgrades to the elevators are imminent. Danny responded that we will have our elevator contractor do an assessment and provide a quote. At another property, they are going forward with an upgrade as outlined in recent Colorado legislation, and the

expected price tag is \$150,000 to \$200,000. The Board will report from their quarterly meetings what is anticipated in terms of both dollars and timing on Plaza's 2 elevators.

**ELECTION OF DIRECTORS**

The terms of 3 directors are up this year: Sidney Pinkston, Ronny McCutchin, and Max Evans. All three expressed a willingness to continue on the Board.

MOTION by Greg Burns to nominate Sidney, Ronny, and Max to another term on the Board; second by Nancy Roselin. Unanimous approval.

**OLD BUSINESS**

Andy Konen asked that remediation of the cooking smells from the Firehouse Grill's grill again be considered. Chet, the owner of the Firehouse, committed to continuing to clean the exhaust vent on a regular basis to keep any offensive smell to a minimum.

Andrew Mazloom asked that minutes be distributed within a few weeks following all meetings, and also consider creating a Plaza website for easier access to all minutes, as well as meeting materials and Association documents. Danny committed to the distribution of minutes following all meetings, as well as exploring the creation of a website. In addition, Toni, who has taken over Owner Liaison duties, will work to update all e-mail addresses to better utilize that avenue to increase better communication.

With all other business, old and new, having been discussed throughout the meeting, the setting of next year's meeting date was the last business on hand.

**NEXT MEETING DATE**

The next meeting was set for 9:30 am July 31, 2009, the Friday before Arts Festival weekend.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:30 AM.

Respectfully submitted,

Approved by,

\_\_\_\_\_  
Danny Myers  
General Manager

\_\_\_\_\_  
Sidney Pinkston  
Plaza Association President