

**PLAZA CONDOMINIUM ASSOCIATION
HOMEOWNERS' MEETING AT
MT. CRESTED BUTTE, COLORADO
July 31, 2009, AT 9:30AM**

MEMBERS PRESENT: Sidney Pinkston
Greg & Patricia Burns
Alvin & Nancy Roselin
Max Evans
Ronny and Carolyn McCutchin
Bruce Jackson
Mitch Burnbaum

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

Sidney Pinkston, President, opened this year's meeting at 9:35 AM by welcoming everyone present. It was established that a quorum of homeowners was represented at the meeting; 57% of the homeowners were either present or represented by proxy.

UNIT	OWNER	ATTENDING/PROXY/CONF CALL	% of Vote
31	William and Kathleen Bahr		
32	Plaza Association	Attending	1.523
33	Andy Mazloom		
34	Blaine McAnally	Proxy to Sidney	1.792
35	Firehouse Grill	Attending	3.462
36	Employee Unit	Attending	0.0426
37	Employee Unit	Attending	0.0218
38	Employee Unit	Attending	0.023
131	Stephen Berenson	Proxy to Toni	1.479
132	James and Kathleen Reese		
133	Derek & Pauline Carstens		
134	John and Kathymarie Blair		
135	Maxwell and Andrea Evans	Attending via phone	1.479
136	William & Lyn Frates	Attending	1.479
231	Sidney & Barbara Pinkston	Attending	1.479
232	Sidney & Barbara Pinkston	Attending	1.479
233	Frank Yates		
234	Frank Yates		
235	Terry & Mary Toole	Proxy to Ronnie	1.479
236	Bill Fountain	Proxy to Danny	1.479
237	Randy Hertz	Attending	1.479
238	Stephen DeLaroche		
239	Snowflakes and Wildflowers LLC	Proxy to Danny	1.874
240	Jim & Charlotte Finley		
241	Barbara Kleinhoff	Proxy to Danny	1.479
242	Don Brown		
331	Greg & Patricia Burns	Attending	1.479
332	John Gibson, Ltd	Attending	1.479
333	Judith and David Eichel	Proxy to Toni	1.874
334	Ron Paasch		
335	Alfredo & Gloria Sotolongo	Attending	1.479

336	Scott Stagner	Proxy to Sidney	1.479
337	Ray and Sherrie Nichols	Attending	1.479
338	Michael & Linda Englehard		
339	Giorgio Favio		
340	Alex & Lisa Roddey	Proxy to Danny	1.874
341	Andrew and Monti Konen		
342	Randy Hertz	Attending	1.479
431	Slate River Investments, LLC	Proxy to Sidney	1.479
432	Robert & Shirley Geier	Proxy to Danny	1.479
433	Diane Whatley Brown	Attending	1.874
434	Arnie and Melanie Casciato	Proxy to Danny	1.874
435	Slate River Investments, LLC	Proxy to Sidney	1.479
436	Michele Albano		
437	Al and Nancy Roselin	Attending	1.479
438	Harry & Gail Ludewig	Proxy to Ben Scott	1.479
439	Betty Whiteside	Attending	1.874
440	David & Michelle Moore	Proxy to Danny	1.874
441	Phil and Amy Poholski		
442	James Cavendar		
531	Nancy Thomas		
532	Bill & Jeanne Shirk		
535	Walker & Greg Milnor		
536	Jody Helbling		
537	Aldo & Amy Kosuch	Proxy to Danny	1.479
538	Chris & Ken Duncan		
539	Dr. Mitchell Burnbaum		
540	Jack & Carolyn Bertelsmeyer	Proxy to Toni	1.874
541	John & Elizabeth Bruns	Attending via phone	1.479
542	Ronald L. McCutchin	Attending	1.49
637	Billy Powell		
638	David Nesbitt	Proxy to Danny	1.49
641	Mary C. Utley		
642	Bob Berger		
	TOTAL REPRESENTATION:		57.3744

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

GUEST SPEAKERS

Danny next introduced Ken Stone, Chief Operating Officer for Crested Butte Mountain Resort and Daren Cole, Vice President of Sales and Marketing to give an update on the Resort and the marketing activities underway to promote Crested Butte Mountain Resort.

Ken shared that our current business model focuses more on increasing the length of stay of our guests and providing exceptional guest service to each guest, as well as adding value and providing a distinctive vacation experience. Ken stressed that Crested Butte Mountain Resort is using their marketing dollars on targeted efforts to bring in guests, using more electronic contacts to potential guests versus expensive broad-stroke newspaper advertisements. Daren began by sharing that the marketing department will be creating a newsletter of Resort happenings to share with all the rental unit owners several times each year. Piggybacking on Ken’s point of creating value and a distinct product, Daren shared that partnerships that CBMR has formed with Specialized Bikes, Subaru, Coors, Coca-Cola, and Discover Card will enhance the Crested Butte experience, while allowing the Resort to attract guests that value what Crested Butte has to offer. As an example, Subaru has committed to creating an

Ice-Driving School in Crested Butte this upcoming ski season, offering guests a unique, adventure-filled experience. The creation of the Adventure Park with a climbing wall, skating rink, new tubing hill, and bungee trampoline is offering guests extra amenities to enjoy. The new Ice Bar being built this summer will offer an upgraded dining experience for guests. Marketing adventures and amenities like dog-sledding, snow-shoeing, sleigh ride dinners to the Ice Bar, and Spa Services will entice the longer stays.

LYNN’S REPORT

Lynn shared that the Elevation Spa will again be offering day-passes to all guests to use the fitness center and pool. The day-pass fee is waived with the purchase of a spa service such as a massage or facial.

While concern was expressed that the Elevation may go through a foreclosure process, Lynn expressed confidence that the hotel would remain operational (and operated by CBMR).

MANAGER’S REPORT

As stated in the meeting booklet, Crested Butte Mountain Resort finished the 2008-2009 ski season with total skier days approximately 12% lower than 2007-2008, primarily due to the national recession challenges. The “Stay and Ski Free” program during the early season tied skiing to lodging, and while huge crowds were not as evident as the year prior, guests were treated to good conditions and a great early season value. After the record-breaking snow totals in excess of 400 inches in 07-08, snow levels were again above average, but not to the epic degree of last year.

On the improvements front, this summer is seeing the addition of our new Adventure Park next to the Lodge at Mountaineer Square, which will feature a synthetic ice skating rink, a bungee trampoline, and a rock climbing tower. A new Adventure Camp is also available for youth to experience supervised mountain adventures.

The Elevation Hotel opened to rave reviews. The restaurant renovation and debut as 9380 Prime added another popular dining option to the base area. The winter also saw the introduction of a new retail outlet, Thin Air Sports, at Mountaineer Square, as well as the opening of Spellbound Pizza in the Treasury Center. In addition, the re-location of the CBMR equipment rental hub to the slope level in the Treasury Center offered more convenient access for guests. The season also saw the opening of the newly remodeled kids ski school facility, Camp CB.

While the previously discussed Red Lady Lodge dining establishment will not go under construction this summer, preliminary efforts are underway to upgrade the Ice Bar restaurant on the mountain, with a complete teardown and re-build occurring over the next few months.

Regarding skiing on Snodgrass, efforts are progressing well, with a proposal being recently submitted to the Forest Service. The proposal includes the use of 262 acres of lift-served skiing terrain, 4 lifts, and 2 restaurants.

Maintenance

The following are highlights of basic maintenance projects completed around the property since the last annual meeting:

- Completion of the railing project: unit balconies and common areas, including lobby
- Completion of the chimney chase stucco project
- Painting of all the railroad tie walls from red to brown
- Remaining wooden stairs replaced with grip strut stair treads
- New locker numbers on ski lockers
- Improved landscaping on south lawn
- Submission by engineer of Third Floor Heated Concrete plan

Danny asked that any owner that has ideas for improvements or upgrades, to please share them with the Board or management company so that they can be considered as projects for the present or future. The third floor concrete project is viewed as the most pressing current need.

FINANCIAL REPORT

Balance Sheet

On April 30, 2009, the balance sheet reflected total assets of \$119,700. Cash on hand totaled \$42,440; accounts receivable totaled \$56,274; and pre-paid expenses (insurance) were \$10,961. Total Liabilities were \$70,893. Accounts payable totaled \$22,083. The restricted fund balance was \$113,604, and the Operating Fund Balance was (\$64,796).

Income Statement

As of April 30, 2009, the income statement reflects net margin of (\$49,354); Operating expenses totaled \$381,995; \$35,517 over budget.

Variiances

Budget Variances +/- \$1,000 include:

Under Budget:

Cable/Internet - \$1,497 under budget; rate increase budgeted not realized.

Contract Labor – \$2,611 under: timing issue of carpet cleaning; Expenses will occur next fiscal year.

Electric – \$3,386 under budget. Savings realized, in part, from use of compact fluorescent bulbs in common areas where bulbs burn always (e.g. lobby, stairwells).

Trash Removal – \$1,690 under budget. Usage controlled year to date due to lower volume.

Water & Sanitation - \$1,142 under budget; anticipated 4% increase in January was not enacted by the Water District.

Over Budget:

Contingency - \$13,084 over budget. We budget \$6,200 in Contingency for the year. Items contributing to the overage include: Skylight glass replacement (\$1,000), Lights in lower garage by storage sheds (\$1,376), replacing wood stair treads by tennis court with metal grip-strut (\$2,500), stucco repair (\$800), heat tape in upper garage drain (\$700), paint and carpet for employee unit #1 (\$3,000), portico ceiling repair (\$1,800), unit screen replacement (\$1,572), paint hot tub room ceiling (\$1,200).

Dues, Commercial - \$3,074 over budget. The HOA's portion of the chimney chase assessment was paid, but not included in the approved budget (assessment was subsequent to budget).

Fire Protection- \$1,121 over budget. \$450 common area sprinkler inspection and \$653 common area fire extinguisher inspections and replacement expensed in this line.

Firewood - \$3,020 over budget. The cost of delivered wood increased substantially this year. In addition, a full half cord was needed on many decks. An accurate re-stock inventory was conducted early in April to more accurately budget for 09-10.

Hot Tub Labor/Supplies – Cumulatively just \$700 over budget. Overage included need for new motor, replacing sand in filter, and extra cleaning during railing project.

Landscaping - \$2,638 over budget. Extra attention to the aesthetics of the grounds led to higher costs.

Maintenance Labor/Supplies – \$10,206 over budget. No single budget-buster...just attention to detail to ensure Plaza looks better.

Snow Removal – \$16,150 over budget. While down from the epic snow year of 400+ inches, good snow amounts have led to higher than expected costs. Approximate break-down of snow removal categories are as follows:

- 3rd Floor snow removal \$20,520
- 1st Floor snow removal \$ 9,656
- Roof snow removal \$ 5,445
- Plowing and sanding \$ 4,191
- Ground work by contractors \$11,045

CAPITAL

- The Railing Project was completed on all unit balconies, the third through sixth floor walkway railings, the lobby bridges, and the creek-side exterior decks and patios.
- The wooden chimney chases were upgraded to stucco, with new lighting added. The chimney caps and upgraded signage will be completed in the summer.
- Engineering was completed for the Third Floor heated concrete and skylight removal project. Estimates came in at \$450,000, including replacement of the water drainage system. Regarding moving forward on the project, the Board has asked Danny to determine if savings might be available this Fall because of the tight economy, or if it will be best to delay the project until the Spring.

2009-10 BUDGET

Revenue

A 24.5 % increase in Operating Assessments was approved to offset the estimated 20.8% increase in Operating Expenses this coming fiscal year; the increase took effect May 1, 2009. The Capital Assessment was increased from \$43,335 to \$50,000 to keep up with anticipated capital needs. An additional \$100,000 has been added to the monthly assessment to reduce the negative Operating (un-restricted) fund balance, bringing the total monthly dues increase to 50%.

Expenses

Budgeted Operating Expenses reflect a 21% increase over the 08-09 budget, including 16% increase due to bolstering the snow removal account and adding a Bad Debt line as a safety net during these challenging economic times. Notable variances to this year's expenses occur in the following accounts:

Bad Debt – Additional expense line of \$30,000 for possible unpaid dues.

Cable & Internet - \$1,412 decrease to current year actuals.

Dues, Commercial Unit – \$3,436 increase; the HOA must pay approximately 2% of dues allocated to the commercial spaces at The Plaza.

Electricity - \$4,269 decrease; expenses curtailed by a concerted effort to reduce usage through conservation efforts, including the use of compact fluorescent bulbs, especially in 24/7 usage areas.

Legal - \$3,000 increase; increase for potential foreclosure proceedings.

Miscellaneous Expense - \$3,000 decrease: Special Projects seen in Contingency and Maintenance Labor last year will be accounted for here.

Snow Removal - \$41,250 increase; increased to slightly over average of past 2 years' actuals. Snow removal services by outside contractors are also accounted for in this line.

Trash - \$2,606 decrease; savings anticipated due to smaller dumpsters.

2009-10 Capital Budget

Projects anticipated for this year currently include painting of the building's top perimeter stripe and window frames (\$28,000), replacing the steam room boiler (\$8,000), and completing the semi-annual sealing of the pebble walk-ways (\$5,400). Adding chimney caps and upgrading signage will complete last year's chimney chase project also.

ONGOING BUSINESS

Third Floor Project

Danny again reviewed the need to remove and replace the pavers on the third floor. The opportunity exists to replace the pavers with heated concrete to eliminate the need to shovel the snow. Removing the skylights and upgrading the drain system would help eliminate occasional leaking into the lobby. With colder weather just around the corner, but a possible opportunity to procure better pricing now, Eli will work with the engineer to determine the best course of action for completion, Fall or Spring.

Window Replacement Project

The windows will be painted and cleaned this Fall. As we continue to monitor the operational functionality of the unit windows, it appears that the sliding glass doors and windows onto the balconies are performing well. At some point in the future, we still believe that windows that are more exposed to the elements will need extra attention, possibly even replacement.

Wi-Fi

The wireless internet system has worked well throughout the ski season and summer. It will be offered to guests free of charge this coming ski season.

ELECTION OF DIRECTORS

The terms of 2 directors are up this year: Ben Scott and John Bruns. Both expressed a willingness to continue on the Board.

MOTION by Sidney to nominate Ben and John to another term on the Board; second by Bruce Jackson. Unanimous approval.

ADDITIONAL BUSINESS

Unit rental Process

Alvin Roselin asked about the Central Reservation process (through CBV), as well as inquiring about the Plaza unit grading. Danny shared that potential guests phone CBV, wherein the agent works to match a guests needs with the appropriate property. Lynn stated that 99% of all placings by CBV are within CBMR-managed properties. Danny went on to explain that once a reservation for The Plaza comes to our offices, Toni then evaluates the reservation to make the most appropriate unit placement for the guest, taking into account each unit’s rating and amenities. Lynn shared that about half of all reservations are initiated through CBV, about a quarter through the wholesale channels (e.g. travel agents or on-line travel agents like Expedia), and about a quarter through group sales bookings. While The Plaza was down in bookings this year, much of the decline can be traced to the challenged economy and to choosing to reduce our college-student groups this past ski season. This coming season, we will selectively pursue and accept additional group business in an effort to bolster revenue to The Plaza and other CBMR-managed condos.

Dues Delinquency Policy

In order to better protect all owners from any owner not paying their assessments, the Board has implemented a new policy to discourage late payment. If an owner is 45 days late in paying dues, the Board has authorized the management company to have the attorney send a demand letter. If payment is 75 days late, the Board will consider commencing foreclosure proceedings. As per Association Declarations, all costs incurred to remedy delinquencies will be the responsibility of the delinquent owner. A lien on one owner is currently being foreclosed on in order to cure the debt owed the Association.

NEXT MEETING DATE

Next year’s annual meeting was set for 9:30 am August 6, 2010, the Friday before Arts Festival weekend.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:55 PM.

Respectfully submitted,

Danny Myers
General Manager

Approved by,

Sidney Pinkston
Plaza Association President