

**PLAZA CONDOMINIUM ASSOCIATION
MINUTES OF HOMEOWNERS' MEETING AT
MT. CRESTED BUTTE, COLORADO
August 5, 2011, AT 9:30AM**

MEMBERS PRESENT: Blain McAnally
Maxwell & Andrea Evans
Sidney Pinkston
Terry & Mary Toole
Greg & Patricia Burns
Bruce Jackson
Scott Stagner (by phone)
Giorgio Favia (by phone)
Andrew Konen
Diane & Mike Brown
Alvin & Nancy Roselin
Betty Whiteside
Dave Moore (by phone)
Nancy Thomas
Bill & Jeanne Shirk
David & Teri Reed
Aldo Kosuch (by phone)
Mitchell Burnbaum
John Bruns

MANAGEMENT COMPANY PRESENT:

Lynn Kiklevich
Antoinette Wilson
Jason Fries

Call to Order

Max Evans, President, opened this year's meeting at 9:37 AM by extending a warm welcome to everyone attending the meeting. Max then introduced the other board members present Terry Tool and John Bruns. John Battaglia and Ben Scott were not able to attend the meeting this year. Max then asked management to verify attendance and the validation of proxies.

Attendance was verified and 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	Absent	
32	Plaza Association	Present	1.523
33	Andy Mazloom	Absent	

34	Blaine McAnally	Present	1.792
35	Old Cutler Crew	Absent	
36	Employee Unit	Present	0.0426
37	Employee Unit	Present	0.0218
38	Employee Unit	Present	0.023
131	Stephen Berenson	Proxy to Terry Toole	1.479
132	James and Kathleen Reese	Absent	
133	Derek & Pauline Carstens	Proxy to President Max Evans	1.874
134	John & Cyndi Baily	Absent	
135	Maxwell and Andrea Evans	Present	1.479
136	Janice Prewett	Proxy to President Max Evans	1.479
231	Sidney & Barbara Pinkston	Present	1.479
232	Sidney & Barbara Pinkston	Present	1.479
233	Frank Yates	Absent	
234	Frank Yates	Absent	
235	Terry & Mary Toole	Present	1.479
236	Bill Fountain	Absent	
237	Doug Wells , Ted Lodden	Proxy to President Max Evans	1.479
238	Stephen DeLaroche	Absent	
239	Snowflakes and Wildflowers LLC	Proxy to Lynn Kiklevich-over to John Bruns	1.874
240	Jim & Charlotte Finley	Absent	
241	Barbara Kleinhoff	Proxy to President Max Evans	1.479
242	Don Brown	Absent	
331	Greg & Patricia Burns	Present	1.479
332	John Gibson, Ltd	Present	1.479
333	Judith and David Eichel	Absent	
334	Ron Paasch	Absent	
335	Alfredo & Gloria Sotolongo	Absent	
336	Scott Stagner	Present via phone	1.479
337	Ray and Sherrie Nichols	Proxy to President Max Evans	1.479
338	Michael & Linda Englehard	Absent	
339	Giorgio Favio	Present via phone	1.874
340	Alex & Lisa Roddey	Proxy to President Max Evans	1.874
341	Andrew and Monti Konen	Present	1.479
342	Randy Hertz	Absent	
431	Slate River Investments, LLC	Proxy to President Max Evans	1.479
432	Rober Geier Trust	Absent	
433	Diane Whatley Brown	Present	1.874
434	Arnold and Melanie Casciato	Proxy to President Max Evans	1.874
435	Slate River Investments, LLC	Proxy to President Max Evans	1.479
436	David Meadors	Absent	
437	Al and Nancy Roselin	Present	1.479
438	Harry & Gail Ludewig	Proxy to President Max Evans	1.479
439	Betty Whiteside	Present	1.874
440	David & Michelle Moore	Present via phone	
441	Steve Bertone	Absent	
442	James Cavendar	Absent	
531	Nancy Thomas	Present	1.479
532	Bill & Jeanne Shirk	Present	1.479
535	David & Teri Reed	Present	1.479
536	Jody Helbling	Proxy to President Max Evans	1.479
537	Aldo & Amy Kosuch	Present via phone	1.479
538	Chris & Ken Duncan	Absent	
539	Dr. Mitchell Burnbaum	Present	1.479
540	Jack & Carolyn Bertelsmeyer	Proxy to President max Evans	1.479
541	John & Elizabeth Bruns	Present	1.479
542	Ronald L. McCutchin	Proxy to Aldo Kosuch	1.479
637	Billy Powell	Absent	
638	David Nesbitt	Proxy to President Max Evans	1.479
641	Mary C. Utley	Absent	
642	Robert Berger	Proxy to President Max Evans	1.479
	TOTAL REPRESENTATION:		57.932

MOTION: by Alvin Roselin to waive the reading of and approve the minutes from the July 30, 2010 Annual HOA meeting

Seconded: by Sidney Pinkston

Vote: The motion was unanimously approved

PRESIDENT'S REPORT

Max reported to the ownership that the board has had another busy year. Some of the items the board has been working on throughout the year included finalizing the management contract, working with management on the door replacement project, monitoring financial reports, working on the capital plan to name a few. Max thanked Lynn for resuming her roll as general manager for CBMR Properties.

MANAGER'S REPORT

Skier Days

Crested Butte Mountain Resort finished the 2010-11 ski - season with 362,419 total skier days, which is approximately 6% more than the 2009-10 season. The resort was up in both paid and season pass skier visits, seeing large increases in the regional markets (Montrose, Grand Junction, Colorado Springs and Denver) along with strong gains in groups.

Plaza Rental Program

The Plaza rental program finished the year up 8.5% in total revenues over the previous year. This is the second year in a row that the Plaza has increased revenues. Your 8.5% increase compares to a 4.6% increase at the Grand Lodge and 11% at the Lodge at Mountaineer Square.

As of July 26, July revenues have exceeded July 2010 by over 40%. The Plaza is on pace to finish July with \$52,000 in total revenue compared to \$36,800 last year – and last year was significantly better than the year before. In spite of the fact that the Mountain Conference group is over the same week as the Plaza annual meeting this year, Plaza is still on track to meet or exceed last year in August as well.

For ski season, the property is pacing significantly ahead of last year due to some very good groups that have chosen the Plaza. These include:

- 4 Clubs from the National Brotherhood of Skiers
- 5 Clubs from the Flatlanders Ski Association
- Ski Club of Washington D.C.
- The Gator Ski Club
- Huntsville Ski Club
- Daytona Beach Ski Club
- Veterinary Orthopedic Society

Mountain Improvements

The zip line and canopy tour opened on June 28 to rave reviews and the resort continues to make improvements to the biking trails on the mountain. In addition, CBMR will be remodeling the Paradise Warming House, improving on-mountain wedding venues and improving and expanding the facilities at the top of Painter Boy lift.

Airline Service

For the 2011-12 season American Airlines will be flying a 757 from DFW – an equipment upgrade from the regional jets that flew last year. This flight will operate daily with the exception of January, when some Tuesday and Wednesday service will be eliminated. Continental (United) will again fly from Houston, but this service has been reduced to Saturdays only, with the exception of the December holiday season, when it will fly daily. United will continue to operate 3 flights daily from Denver throughout the season. This schedule results in a slight overall reduction in seats, but the reductions occur mainly during times we struggle to fill those seats anyway. We have protected the capacity during the high demand days of the season.

The cost of this program is being shared by the Gunnison Valley Rural Transportation Authority, CBMR, the Mt. Crested Butte Town Center Community Association and the West Wall Lodge Homeowner's Association.

A full airline schedule was included in the miscellaneous section of the meeting book.

Changes at CBMR Properties

Bill Babbitt left CBMR in early April to pursue his long time dream of living in Hawaii. Bill did a terrific job in the short time he was with us and will be missed. Lynn Kiklevich has assumed Bill's duties for at least the next 12 months.

Eli Haine departed the company in April as well, and his duties are being shared by Jason Fries and Todd Burnett. Jason was with CBMR Properties for many years up until 2007 and Todd was Eli's assistant for the last year. Jason is now the Chief Engineer for all of CBMR Lodging – a deserving promotion for him.

On June 16, the decision to consolidate the CBMR accounting department with the Okemo accounting department was announced. Both Ty and Andrea Minnick's positions were eliminated as a result of this consolidation. Okemo accounting personnel were on-site in CB for two weeks after the announcement, putting new procedures in place. CBMR staff members are working closely with them on our homeowner accounting and HOA accounting procedures. This is a big adjustment for CBMR, but everyone is working hard to make this transition as seamless as possible for our Owners and Associations. For the time being, all accounting questions should be directed to Lynn or Toni. June statements were slightly delayed due to the transition. Management apologized for any inconvenience this may have caused they expect to be back on schedule with July statements.

MAINTENANCE REPORT

The overall condition of the building and grounds at the Plaza is excellent. We have received comments from owners and the general public that the Plaza looks the best it has in many years, although given the age of the building, there are still many items that need to be addressed.

The 3rd floor deck continues to function perfectly. The snowmelt system saved the HOA over \$9,000 in expenses this winter and in spite of several severe thunderstorms this summer, there have been zero leaks into the common areas. The contractor will be putting another coat of sealer on the pavers this fall at not cost to the association.

Completed projects around the property since the last annual meeting include:

- Repairs and painting of all exterior stucco
- Repairs and painting of the metal trim around the elevators
- Painting of all the stairwells
- Replacement of steam room tile
- Garage cleaning and re-stripping of spaces
- Landscaping improvements to the south lawn
- Upgraded the wireless internet system

In Progress and Scheduled Projects:

- Replace the asphalt in front of the south entrance to the parking garage and the lower west side driveway
- Repair and re-seal the pebble walk-ways
- Repairs to the 6th floor landing of the North elevator. The concrete has heaved over the years, finally to the point that the doors of the elevator could not open and close

Firehouse Grill

The Firehouse Grill has been closed for the entire summer. The owners are currently seeking a tenant or buyer for the restaurant. At this point there are no prospective buyers or leasee's for the Firehouse.

Discussion

As everyone knows the Firehouse is a nice amenity for the property to have and although a bar and restaurant is a nice business to have in the property some of the owners asked about other options that the space could be used for such as a work out area or a residential unit possibly.

Max Evans then gave a brief history to the owner in that units 31 a & b, 32, 33, 34 and 35 were all platted as commercial units in the declarations however three of those units are being

used as residential units and it is his understanding that a commercial unit can be used as residential unit. The HOA purchased unit 32 in 1992 and the HOA does not collect dues on this unit and therefore it is a wash to the HOA. The meeting space does generate revenue throughout the year as it is reserved for group business and by other vendors as meeting space. Andrew Gitin one of the owners of unit 35, reported that the Town of Crested Butte would have to approve changing the plat of the unit from commercial to residential however because each property has to have a minimum amount of commercial space the town may not approve the unit as a residential space. It appears that the cost of the dues is still a deterrent for buyers.

FINANCIAL REPORT

Balance Sheet

On April 30, 2011, the unaudited balance sheet reflected total assets of \$312,639. Cash on hand totaled \$261,361 of which \$213,255 belonged to the capital reserve account and \$48,105 to the operating account. Accounts receivable from owners totaled \$22,617 and the note receivable totaled \$11,201. Pre-paid expenses (insurance) were \$11,022

Total Liabilities were \$88,427. Accounts payable totaled \$23,971. The restricted fund balance was \$213,255, and the Operating Fund Balance was \$10,957.

Income Statement

The unaudited year-end income statement reflects total revenues of \$1,080,069 compared to a budget of \$1,097,435. This variance was due primarily to the discounts of \$13,319 given to owners who paid their special assessment in advance.

Operating expenses totaled \$392,375, which was \$3,492 less than budget.

– Significant expense variances are as follows:

Bad Debt - \$20,000 under budget due to aggressive managing of the accounts receivables
The Board has established a policy for collecting dues that are in arrears that has helped significantly in keeping this cost down.

Cable & Internet – This account is over budget \$2,819, due to an unanticipated service call by Room Linx for technical help with the old internet WiFi system, and the purchase of a battery back-up system for the new WiFi system. In addition, the \$569.80 monthly service to Internet Colorado is more than was budgeted.

Common Area Cleaning – This account is over budget \$2,650 due mainly to additional common area cleaning involved with the third floor deck renovation, and the new entry floor mats purchased and installed in November.

Contingency – This account is over budget \$9,709 due to several unanticipated projects that have been completed. The significant projects causing the overage are:

1. Completion of the building signage project with two addition building identification signs, one on each end of the building, and one new entryway sign. Cost was \$1,955.
2. Installation of photocells on all exterior unit lights that light the common halls and walkways. This will save individual unit owners electrical expense over time, and saves energy overall. Cost was \$1,425.
3. Purchase and installation of additional snowmelt controls for the new snowmelt system on the third floor. Theses controls are energy saving devices that will save gas and energy costs over time. Cost was \$620.
4. New exterior door weather-stripping was installed on all exterior entrance doors, again for energy conservation purposes. The cost was \$1,338.
5. Replacement of non-functioning sign light fixtures on the South and North ends of the building at a cost of \$2,586.
6. Engineering of OSHA required roof anchors. Cost was \$750.00

Dues Commercial Units – Is over budget \$12,582 as we did not budget any funds for the HOA owned commercial units special assessment amounts.

Electric –\$2,653 under budget, due to less electrical use from the third floor hot tub, as that tub is now heated by natural gas.

Elevator - \$2,545 over budget due to some unbudgeted service calls this year.

HOA/BOD Meetings – Over budget \$1,271 due to all of the necessary Board meetings involved with the 3rd floor project, amending the bylaws, board member replacement, window and door project, etc.

Insurance – This account is over budget \$1,617 due to the construction insurance policy require for the 3rd floor deck renovation.

Landscaping - \$3,162 over budget due to improvements to the landscaping on the south side of the building that the board asked CBMR to complete.

Legal Fees –Under budget \$7,172 due to less than anticipated need for legal services for collections, liens and notices.

Maintenance Labor – Over budget \$4,791 due to additional time and manpower used to maintain the property in a professional manner.

Snow Removal – Under budget \$8,495 in spite of budgeting for an average year and then experiencing a record snowfall of over 500 inches. The savings came almost entirely from the 3rd floor snowmelt system.

Trash Removal –Under budget \$1,604 due to greater efficiencies realized in the weekly dumpster pickups.

Capital Repairs – This account is \$20,725 over budget due to the unbudgeted wireless internet system that the Board approved in October 2010.

**Plaza Homeowners Association
2010-11 Final Capital Expenditures**

	Budget	Actual	Variance
Paint interior stairwells, all floors	5,000	5,000	-
Asphalt replacement - lower Snowmass and West sides	20,000	19,075.26	1,000
Capital Reserve Study	4,000	4,000	-
3rd Floor deck Renovation Project	550,000	542,000	8,000
Replace 3rd Floor Hot tub shell	-	8,200	(8,200)
Replace steam room tile	11,000	8,300	2,800
Replace Wireless Internet System	-	24,150	(24,150)
Total 2010-11 Capital Expenditures	590,000	610,725.26	(20,550)

10 Year Capital Plan

The board presented an updated 10 year capital plan along with recommendations for future capital assessments at the annual meeting. This plan will then be posted on the Plaza HOA web site for all owners to review.

John Bruns gave the owners an overview of the updated 10 year capital plan. There was an updated 10 year capital plan handed out at the meeting. Please contact management if you would like a copy.

The 2011 Audit Report

The board appointed an audit committee to work with the auditors on finalizing the 2011 audit. This audit report will be presented at the annual meeting, sent to all owners not in attendance, and posted on the Plaza HOA web site.

Terry Toole commented that there are two very important things to consider when talking about audits. The first one being is in the timeline that financials are being reported and that the financial statements are clean the second thing that is important to share holders is what sort of struggle does the auditor have to go through to get the audit done? Terry was pleased to find only a minor adjustment that had to be made on the 2011 audit. This adjustment was under the notes receivables for the amount of 11,000. This had been classified under loan however it was reclassified as long term as it is for the owners that opted to make payments for the third deck renovation assessment. Other than some timing issues Max and Terry did not find any problems with the 2010 audit. Terry disclosed that the audit was not available prior to the meeting because the board was waiting for some estimates on future capital projects. Please contact management if you would like a copy of the audit.

2011-12 BUDGET

Overview

The 2011-12 budget reflects no change from last year in operating assessments or capital assessments. Operating expenses are expected to fall by about 1.4% compared to last years budget, while capital expenses, including the repainting of the building exterior are budgeted at \$152,400.

Revenue

Combined operating and capital assessments are budgeted at \$569,777 – the same as last year. Presently, no special assessment has been budgeted for the window or door replacement projects, as this will be discussed at the annual homeowners meeting.

Expenses

Budgeted Operating Expenses reflect a 1.4% decrease over the 2010-11 budget, including significant reductions to Bad Debt, and Legal Fees line items. Notable variances to this year's actual occur in the following accounts:

Bad Debt – has reduced this line item 50% to \$10,000, as no bad debt has been realized so for this fiscal year.

Contingency – increased this line item to \$12,000 to reflect ongoing actual unanticipated expenses.

Elevator – this line item have budgeted an increase of \$1,730 over last years budget to reflect at least one unscheduled service call.

Legal – anticipation of fewer legal costs, and have reduced the line item to \$3,600.

Snow Removal – decreased by \$5,000 due to the effectiveness of the new snowmelt system on the 3rd floor deck. Snow removal services by outside contractors are also accounted for in this line.

Trash Removal – Decreased \$1,300 to reflect actual savings realized.

Capital Budget

<u>Project</u>	<u>Budget</u>
Repair and Seal exterior walkways	5,400

Asphalt paving, South side / entrance	20,000
Stucco Repairs, interior courtyard	5,000
Replace rusted elevator door frames	9,500
Paint interior courtyard	27,500
Paint all exterior stucco & columns	75,000
Roof Safety Anchor System	10,000

Total Budgeted Capital **152,400**

OLD BUSINESS

Door Replacement Discussion

As some owners are aware there are some of the issues with the existing doors is some have panels peeling off the doors as well as several doors that do not close properly and most of the doors are showing ware.

Max reported that the legal opinion of the HOA attorney is that the doors and windows in the Plaza are owned by the individual unit owners as they are not deemed common property. The concern the board has with the individual owners replacing their doors and windows at their discretion is the potential of a Hodgepodge look to the building. To avoid this issue the board made the decision to have the owners to vote on making the door replacement project a one time special HOA capital project. There was a sample of the new board approved door on display at the meeting. All unit front doors will be replaced with the new three panel thermal-true fiberglass door that also has the required fire rating.

The estimated cost of this project is 85K for a total of 79 doors and hardware that would be paid for out of the capital fund so no special assessment would needed. This estimated cost does not include new thresholds or trim kits. Some owners inquired about installing new electronic hardware. This type of system would be nice from a security standpoint however the initial cost of the hardware and software would be very expensive and with outside entrances the effects of weather could present problems with the locks. Initially the firehouse front doors were not included however these doors will be included in the project.

Some owners requested that a new threshold and/or trim kits be installed as needed when the doors are hung.

The following Motion was then made

Motion: by Greg Burns to take a vote of the homeowners to make the door replacement for each unit a one time special HOA capital expense project.

Seconded: by Sidney Pinkston

Door Replacement Vote:

The owners then voted individually by a show of hands or by verbally sounding off from owners attending via the phone.

The motion was passed with a majority vote of the ownership approving the replacement of the exterior unit doors as a one time special HOA capital project.

Window Replacement Discussion:

The board wanted to inform the owners that the windows are the next big project that will be done in the near future. The board has started working with management on window options and bids. At his point the estimated cost of the window project 625K. Although there are capital funds allocated in the 10 year capital plan for this project there may be a special assessment needed in order to help fund the project. The amount of the possible special assessment is not known at this time. The board has the matrix on the condition of each unit in every unit.

Plaza HOA Management Agreement

John Bruns reported that the HOA version of the contract is done and has been given to CBMR'S attorney. One item that will remain the same is that CBMR will be retained as the rental agent for The Plaza. Some owners inquired as to why the board choose CBMR as the rental agent and wanted to know if it was bided out. CBMR has a good marketing base they offer daily housekeeping services for guests and offer a great value to homeowners. Some owners help promote their units via VRBO and receive an additional 10 % commission on those particular referrals. Crested Butte Vacations is the main call center for CBMR Properties. The reservation agent's first responsibility is to match the guest with the product they ask for or the product that meets their expectations for their stay. Lynn will be regarding the Plaza units this upcoming autumn and will send out the updates by October 1st. The board will be touring some of the units to observe the differences in the unit grades in order offer suggestions if any for the program.

ELECTION OF DIRECTORS

There is one term on the board of directors up this year currently being held by Max Evans. Max had previously informed the board that he has decided to retire from the board of directors.

Current Directors	Term Expiration
Max Evans	2010
John Bruns	2012
Ben Scott	2012
John Battaglia	2013
Terry Toole	2013

Nominees for the one board seat are:

- David Reed- Plaza 535 (Non-Rental)
- Donald Brown-Plaza 242 (Non Rental)

The nominees were asked to give a brief overview of their credentials. Once each nominee spoke and it was established that all nominees were current on their HOA dues and their units are not listed for sale. Moving forward all of the proxies were validated the voting commenced.

Congratulations to new board member David Reed who received 52% of the votes. Don Brown received 49%.

NEW BUSINESS

Tennis Courts

Some of the owners have concerns about the tennis courts. The lights stay on late and shine into the units on the east side of the building. The owners have also observed guests who are not staying at the Plaza using the tennis courts at night. After a lengthy discussion about the tennis court lights and the overall security of the building management will make sure their security department is aware to patrol the tennis courts. The board will discuss the light issue at the next board meeting which immediately follows the HOA meeting.

NEXT MEETING DATE

Max Evans Retires

John Bruns thanked Max for all of his many years of service on the board. He has been a great asset to the board of directors and will be missed. Max thanked the ownership and the other members of the board for their dedication to preserving the integrity of the property. With that said and there being no more business.

Next year's annual meeting was set for 9:30 am August 3, 2012.

ADJOURNMENT

Motion: by John Bruns to adjourn the meeting

Seconded: by Terry Toole

Vote: Unanimously Approved

There being no further business, the meeting was adjourned at 11:50 AM.

Respectfully submitted,

Antoinette Wilson
CBMR Properties
Homeowner Liaison

Terry Toole
Plaza Association Secretary/ Treasurer