

**PLAZA CONDOMINIUM ASSOCIATION
MINUTES OF HOMEOWNERS' MEETING AT
MT. CRESTED BUTTE, COLORADO
August 3, 2012, AT 9:30AM**

MEMBERS PRESENT: Maxwell & Andrea Evans
Sidney Pinkston
Terry & Mary Toole
Greg & Patricia Burns
Scott Stagner (by phone)
Diane & Mike Brown
Betty Whiteside
Nancy Thomas
Bill & Jeanne Shirk
David & Teri Reed
Aldo Kosuch (by phone)
Mitchell Burnbaum
Ben Scott
MDT Development- Myles Hiteman
Janice Prewett (by Phone)
Ronney & Carolyn McCutchin

MANAGEMENT COMPANY PRESENT: Lynn Kiklevich
Antoinette Wilson
Jason Fries

Call to Order

The meeting was called to order at 9:35 AM

Attendance was verified and it was established that a quorum of homeowners was represented at the meeting; 59% of the homeowners were either present or represented by proxy.

UNIT	OWNER	ATTENDING/PROXY/CONF CALL	% of Vote
31	Wine & Champagne LLC	Present via Phone	1.522
32	Plaza Association	Present	1.523
33	Andy Mazloom	Absent	
34	Blaine McAnally	Absent	
35	MDT Development	Present	3.462
36	Employee Unit	Present	0.0426
37	Employee Unit	Present	0.0218
38	Employee Unit	Present	0.023
131	Stephen Berenson	Proxy to Board of Directors	1.479
132	James and Kathleen Reese	Absent	
133	Derek Carstens	Proxy to Board of Directors	1.874
134	John & Cyndi Baily	Proxy to Board of Directors	1.874
135	Maxwell and Andrea Evans	Present	1.479
136	Janice Prewett	Present via Phone	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	Absent	
238	Stephen DeLaroche	Absent	
239	Snowflakes and Wildflowers LLC	Present via Phone	1.874
240	Jim & Charlotte Finley	Proxy to Board of Directors	1.874
241	Barbara Kleinhoff	Proxy to Board of Directors	1.479
242	Don Brown	Absent	
331	Greg & Patricia Burns	Present	1.479
332	John Gibson, Ltd	Proxy to Ben Scott	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 Board of Directors	1.479
338	Michael & Linda Englehard	Absent	
339	Giorgio Favio	Absent	
340	Alex & Lisa Roddey	Proxy to Board of Directors	1.874
341	Andrew and Monti Konen	Absent	
342	Randy Hertz	Proxy to Board of Directors	1.479
431	Art & Cathy Romack	Absent	
432	Rober Geier Trust	Proxy to Board of Directors	1.479
433	Diane Whatley Brown	Present	1.874
434	Arnold and Melanie Casciato	Proxy Board of Directors	1.874
435	Slate River Investments, LLC	Present	1.479
436	David Meadors	Absent	
437	Al and Nancy Roselin	Proxy to Board of Directors	1.479
438	Harry & Gail Ludewig	Proxy to Board of Directors	1.479
439	Betty Whiteside	Present	1.874
440	David & Michelle Moore	Absent	
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 Board of Directors	1.479
537	Aldo & Amy Kosuch	Present via phone	1.479
538	Chris & Ken Duncan	Absent	
539	Dr. Mitchell Burnbaum	Present	1.874
540	Jack & Carolyn Bertelsmeyer	Proxy to Board of Directors	1.874
541	John & Elizabeth Bruns	Proxy to Ben Scott	1.479
542	Ronald L & Carolyn McCutchin	Present	1.479
637	Billy Powell	Absent	
638	David Nesbitt	Proxy to Board of Directors	1.479
641	Mary C. Utley	Absent	
642	Robert Berger	Proxy to Board of Directors	1.479
	TOTAL REPRESENTATION:		57.8724

Motion: by Sidney Pinkston to waive the reading of and approve the minutes from the August 5, 2011 Annual HOA meeting

Seconded: by Terry Toole

Vote: The motion was unanimously approved

PRESIDENT'S REPORT

The Vice-President Ben Scott started the meeting by thanking Lynn and the CBMR Properties staff for a job well done. He also thanked the other Board of Director members for their continued service and support.

MANAGER'S REPORT

SUMMER IN CRESTED BUTTE

The summer season continues to improve for Mt. Crested Butte. The resort is really seeing a pay-off from the investment in the ski resort mountain biking program, music events, Adventure Park activities, bike racing and other festivals. Last summer the Plaza had an increase in rental revenue of 17% and this summer is also strong, in spite of the spring drought and fire restrictions that have been in place since the 1st of July. At July 15, the lodging division already has 90% of the revenue on the books that they finished the summer with last year.

This year, the resort added more bike trails on the mountain expanded our mountain biking lesson program and began offering free lift rides on Friday evenings along with live music on the 9380 patio. The resort has also partnered with the Town Center Community Association and the Trailhead Museum to build a children's playground adjacent to the Adventure Center.

The LIVE! From Mt. Crested Butte music series is entering its 4th year and the US Pro Cycling Challenge returns to Crested Butte this year on August 21.

WINTER 2011-12 RECAP

The 2011-12 ski - season will be one for the record books – but for the wrong reason. With only 160 total inches of snowfall (compared to over 400 inches the previous two winters), it is certainly not a winter that anyone cares to remember. Things were tough all over and the sister resorts in Vermont and New Hampshire also struggled, with Mt. Sunapee actually closing in mid-March.

Skier days at Crested Butte Mountain Resort fell by 15%. Overall, CBMR'S lodging properties were down 9.5% in revenue – which sounds pretty good, however there were three very large corporate groups at the Elevation Hotel that skewed these numbers. Reservations were down significantly at all of our other properties. While early bookings were very strong – the lodging division was actually on pace for a record season in early December - many groups did not pick up their blocks due to the snow conditions and the transient reservations fell off sharply in early January.

Group revenue at the Plaza finished down 13% to the prior year and transient revenue was down 29%.

In an effort to improve the performance of the rental properties that CBMR has in their managed homeowner associations, CBMR Properties did not renew rental management contracts on 25 units in non-HOA managed properties this spring. CBMR Properties is going to focus on giving the best possible service to our rental properties as well as pushing as much revenue as possible into the properties that partner with us on HOA management. Besides the Plaza, this includes Gateway, Wood Creek, Paradise and Black Bear Lodge.

THE NORTH ELEVATOR

The North elevator was taken out of service in late February due to a failure of the hydraulic jack which resulted in a serious and environmentally dangerous leak of hydraulic fluid. CBMR Properties immediately began to solicit proposals from Schindler Elevator and Thyssen Krupp to repair the jack and to fully modernize the electronic systems in the elevator. The board reviewed the proposals and signed a contract with Schindler for the repairs and modernization in mid March. With an 8 week lead time on the parts required for the project, Schindler was on-site at the Plaza in mid-May to begin the repairs. The elevator is expected be back in service by July 27.

In conjunction with this project, the cab interiors of both elevators will also be updated and the building fire safety system received an upgrade. The north elevator is now hooked into the fire safety system, which brings it up to current fire code and improves the overall safety of the building.

The total budget for this project is \$202,000, which is being funded by a \$97,000 special assessment with the remainder coming from existing capital reserves.

UNIT DOOR REPLACEMENT

This project got off to a rough start last fall due to the manufacturer sending the wrong doors which required them to re-manufacture our entire order. This set the start date of the project back by six weeks – meaning the contractor had to install practically all of the doors in the dead of winter. While management knew that we would have some issues with bad door jambs and door openings not being square, it was much more difficult to deal with these in the cold weather because we couldn't leave the doors off for any extended length of time.

In addition, a lot of the door hardware had faulty latching systems which caused some heartburn for staff, guests and owners alike. The manufacturer finally sent us all new latching systems which we have now installed and all is well.

The contractor struggled to complete his punch list this spring and management sincerely apologized to all owners who had punch items still outstanding in June and July. These should all be completed now.

OTHER MAINTENANCE UPDATES

CBMR Properties is working on solutions for two relatively serious building issues.

The first of these is the fifth floor flat roof, which flexes each winter under the snow load and causes damage in the residences directly underneath (539 and 540). This has been an on-going issue at the Plaza for over a decade, but the solution is not an easy or inexpensive one.

There is a very long concrete beam that supports this section of roof where the building is getting some deflection in the winter months. This causes the drywall to crack in several areas of the affected residences. There is no moisture penetration.

Opening up the roof and replacing the beam would be highly invasive and expensive, so management is exploring options for heating this section of roof to reduce and/or eliminate the snow loads in the winter.

The second issue involves the aging cast iron plumbing pipes throughout the building. We have been battling leaks and clogs in several stacks for the past few months – most recently in the 40 stack where a very large section of drain pipe that cracked had to be replaced. We also found a broken drain line under the restaurant floor. All of these issues have caused property damage, but none severe enough to trigger an insurance claim at this time. Management will be inspecting the main drains in the remaining stacks with a camera snake to try to find any other issues before they cause damage.

Other maintenance projects this summer include:

- Portico ceiling drywall repairs – waiting for repair to 40 stack drain pipe
- Paint property tie walls
- Pressure wash/degrease back patio trex board
- Clean and organize lower garage
- Repair tie wall by lower garage entrance
- Firewood inventory and stocking
- Lower lobby drywall repairs/ texture/ paint
- Paint wood railings on 1st and 2nd floors
- Drywall repairs in ski locker rooms and /or lockers
- Paint shop floor
- Paint laundry room floor
- Office door weather stripping
- Association drywall repairs in PZ539 and PZ540
- Install laundry room emergency lighting and exit signs
- Touch up paint in common areas
- Roof repair at Tennis court shop
- Repair north stairwell access latch and get both locked
- Tennis court net installation
- Hot tub annual clean

- Insulate 3rd floor hot tub equipment
- Paint common walls outside laundry area by restrooms
- Paint men's bathroom/clean vents/caulking
- Repair conference room leak
- Window/screen inventory
- Door staining completion punch list
- Tennis court fence repair at entry gate
- Re-key ski locker rooms to new master

Management should have the Plaza in very good shape for the winter and then we'll start over again next year.

FINANCIAL REPORT- (UN-AUDITED)

BALANCE SHEET

On April 30, 2012, the balance sheet reflected total cash on hand of \$174,418. There was \$11,432 of accounts receivable with \$8,486 of that being regular assessments and \$2,946 the remaining balance due from one unit that is still paying off their 3rd floor assessment.

Pre-paid expenses totaled \$72,089, \$60,155 being the deposit paid for the buildings north elevator modernization project.

The Operating Fund balance totaled \$20,000 and the Replacement Fund balance was \$184,032.

INCOME STATEMENT

The year-end income statement reflects total Operating revenues of \$416,264 compared to a budget of \$417,975.

Operating expenses totaled \$351,833 (not including interest expense), which was \$40,061 less than budget.

Significant expense variances included:

Bad Debt - \$10,000 under budget due to aggressive managing of the accounts receivables

Contingency - \$4,488 under budget

Contract Labor - \$4,424 under budget

Electric - \$7,683 under budget due to a very warm winter and spring.

Elevator - \$1,804 over budget. This is related to some unscheduled service calls for the north elevator before we took it out of service in February.

Landscaping - \$1,420 over budget

Legal Fees - \$1,954 under budget.

Maintenance Labor - \$2,035 over budget. This represents 81 hours of labor over the 12 month period. The building will continue to require more attention as it ages.

Snow Removal - \$16,179 under budget.

Capital Repairs - \$82,500 over budget

FY12 Actual Capital Expense

	Budget	Actual	
Repair and Seal exterior walkways	5,400	4,750	
Asphalt paving, South side / entrance	20,000	26,705	
Stucco Repairs, interior courtyard	5,000	5,169	
Paint interior courtyard	27,500	27,500	
Paint all exterior stucco & columns	75,000	74,000	
Replace rusted elevator door frames	9,500	-	
Roof Safety Anchor System	10,000	-	
5th Floor Elevator Repairs	-	5,124	emergency unbudgeted repair
Repair elevator cab wood trim	-	1,318	approved, but non-budgeted
Replace Unit Entry Doors	-	90,333	\$85,000 Approved in August - not budgeted
	152,400	234,899	
Total 2012 Capital Expenses		234,899	

Explanation of Door Replacement Overage

Change Orders	
Staining Changes	2,751.00

Laundry room and ski locker room doors	934.00	
Overage on special order doors	1,300.00	Restaurant and employee unit #1
Installation changes - jams, etc	<u>4,000.00</u>	
Total Overage	8,985.00	\$94,000 projected to budget of \$85,000 \$4,000 remaining to be invoiced and paid in FY2013

2012 AUDIT REPORT

The audit report was distributed at the annual meeting and will be mailed to the owners who were not in attendance at the meeting. It will be posted on the web site as well.

Discussion

Terry Toole reported that the audit report was very clean. There were no discrepancies and only a few minor adjustments. The auditor’s letter to the management company was also good. As all companies are subject to embezzlement the board takes extra steps to mitigate the risks. This information is disclosed in the audit letter.

Lynn thanked Terry for all his help with managing the audit. Terry’s knowledge and service on the board is beneficial to the HOA.

10 YEAR CAPITAL PLAN UPDATE

The most recent plan is included on the last page of this section.

The plan has been updated to reflect the impact of the north elevator repair and the decision to proceed with an upgrade to the south elevator next spring. It became very apparent this spring that having reliable elevator service overshadows just about everything else for both the owners and the guests.

The window project is currently slated for 2015. The board of directors understands the importance of this project to many owners and has committed to having a definite plan for completing this improvement ready to present to the owners by next year.

Unit Evaluations will be done in September and will be dispersed by September 30, 2012

OLD BUSINESS

Window Replacement Discussion:

The board is committed to having the window replacement project finalized and presented to the owners at the 2013 annual meeting.

ELECTION OF DIRECTORS

There were two terms on the board of directors up this year currently being held by John Bruns and Ben Scott.

Current Directors	Term Expiration
John Bruns	2012
Ben Scott	2012
John Battaglia	2013
Terry Toole	2013
David Reed	2014

The nominating committee solicited nominations for the board of director seats currently up for this year and received none.

John Bruns and Ben Scott who currently hold these seats have both said they would be willing to serve again.

The floor was then open for nominations and there being none Lynn entertained a motion to re-elect John Bruns and Ben Scott by acclamation.

So Moved: By Dave Reed

Seconded: By Max Evans

Vote: Approved by a Majority 542 Ronny McCutchin- Abstained

NEW BUSINESS

2012-13 Budget Report

Overview

The 2012-13 Budget reflects no change in operating assessments or capital assessments. The budgeted assessment amounts have been adjusted so that they reflect actual assessments collected, net of the assessment amounts attributable to the HOA owned units (employee units and conference room) since we don't actually collect any cash for those assessments. However, this has no impact on the monthly dues amounts for the regular unit owners.

Operating expenses are budgeted flat to the current year's budget, while capital expenses, including the elevator project are budgeted at \$237,000.

Net Operating Income is budgeted to be \$25,960 and the Net Capital Contribution (including the elevator special assessment) is projected to be \$7,608.

Expenses

Budgeted Operating Expenses reflect a 10% increase over the current year projected actual expenses. The largest variance being Snow Removal, where we were significantly under budget and under average spend this year. Other notable variances to this year’s projected actual are disclosed in the following accounts:

Bad Debt – A reduction in this line item 50% to \$5,000, as management doesn’t see any major exposure on the horizon at this time.

Contingency – The budget remains the same as last year at \$12,000 even though management only anticipate using about \$9,000 this year.

Contract Labor – The budget has been reduced to \$7,800 which is \$3,000 more than was spent this year, but less than budgeted. The anticipated cost is about \$4,000 to wash windows this spring.

Electric –Management has been notified by GCEA that they will be increasing rates by 3% this year, so an increase was budgeted by \$2,000 over this year’s projected actual.

Elevator –management budgeted a decrease of \$3,000 over this year’s actual to reflect the reduction in the service contract resulting from the modernization of the north elevator.

Insurance – the budget reflects an increase of \$2,000 to this year’s actual

Legal –The budget is the same as last year even though the HOA did not spend all of it this year.

Maintenance Labor – the budget is \$2,000 more than this year’s actual. This line item had to be reduced this year to stay within your budget and there are many things that need attention around the property.

Snow Removal – The budget is the same as last year, which is \$14,000 more than was spent this year.

Water & Sanitation– 4% annual increase in rates.

2012-13 Capital Budget

Total capital revenues are projected to be \$244,608 and the total capital expense budget is \$237,000, resulting in a net capital contribution of \$7,608. This will result in a year – end capital reserve balance of \$187,637.

FY13 Proposed Capital Budget

	Budget	
Roof Safety Anchor System	10,000	
Laundry Dryer Maintenance	4,000	
Ski Locker room remodel	21,000	
North Elevator Rebuild/Upgrade	160,000	partially funded by \$97,600 special assessment
Elevator Cab Remodel - both cabs	42,000	
	237,000	

ESTABLISHMENT OF NEXT MEETING DATE

Motion: By Sidney Pinkston to set next years meeting date for August 2, 2012

Seconded: By Max Evans

Vote: Unanimously Approved

Next year's annual meeting was set for 9:30 am August 2, 2013.

ADJOURNMENT

Motion: by Sidney Pinkston to adjourn the meeting

Seconded: by Terry Toole

Vote: Unanimously Approved

There being no further business, the meeting was adjourned at 10:25AM.

Respectfully submitted,

Antoinette Wilson
CBMR Properties
Homeowner Liaison

Terry Toole
Plaza Association Secretary/ Treasurer