

**CHATEAUX CONDOMINIUM ASSOCIATION
BOARD MEETING
February 8, 2014
MT. CRESTED BUTTE, COLORADO**

Call to Order

The meeting was called to order by the Board President, Jack Patton, at 8:35 A.M.

Quorum Established

A quorum was established with 4 of 5 Board members present.

Board Members Present:

Jack Patton
Rory Baruth
Theresa Brooks
Alan Adams

Management Company Present:

Danny Myers

The purpose of this mid-fiscal year meeting is to review both business items and financial reports for the first 6 months of the 2013-14 fiscal year, which began July 1, 2013.

Financial Report

Danny provided the Board an un-audited 6-month Income and Expense report for the fiscal year through December 31, 2013. The Association is running a \$31,000 surplus through the first 6 months of the year, which is \$14,000 over our anticipated mid-year surplus of \$17,000. We typically spend more money in the second half of the year than the first due to higher utility bills and snow-removal costs in the winter months of January, February and March. Our \$12,000 annual Operating Contingency has not been tapped into this year, leaving it available if the snows keep falling at its current monthly rates.

Reviewing the Balance Sheet as of December 31, 2013, The Chateaux had cash on hand of \$153,304, with Accounts Receivable of \$16,085. Our Accounts Payable stood at \$18,432.

In reviewing the Accounts Receivable, with timely dues payments coming in through January 2014, no owners were in arrears in excess of 90 days.

We will continue to monitor the electric bills, anticipating that the new insulation in the crawlspaces and attics will translate into lower electricity usage in the common areas. Thermometers have been installed in each crawl space to monitor those temperatures, which are now constantly above 40 degrees, whereas prior to the insulation, drain pipes were known to freeze in the crawl spaces, and water pipes were wrapped in heat-tape to keep from freezing. We also anticipate individual units having lower electricity units, though individual unit usage is

primarily dependent on occupancy. Heat usage is also obviously affected by seasonal and yearly variations in outdoor temperatures.

OLD BUSINESS

Firewood Usage

Danny notified several long-term tenants that the firewood supply and usage is not un-limited and that each unit is allocated 1/3 of a cord each year. Residents who want to use additional wood have been asked to purchase their own. Danny will continue to monitor the wood closets so we don't have over-use or disproportionate use.

Bike Storage

Bicycle Storage will be available this summer in a firewood closet in each building, in a bike rack outside each building, and in the soon-to-be-created Bike Barn at the north side of the Clubhouse. There is also a Bike-Wash Station set up beside the Bike Barn. Bicycles are no longer allowed in the condos or on the condo decks. We will place signs to inform guests of these rules, and amend the adopted rules and regulations as appropriate.

Hallway Cleaning

The building entrances and hallways have been vacuumed at least weekly and often times several times each week during the ski season to improve cleanliness and appearance at The Chateaux. We had the carpet on the stair treads and landings shampooed. This, along with the hallway shampooing done each year, should help with the appearance.

E Building Entry Walkway

As approved in August, the concrete walkway to Building E was re-poured this Fall to make it higher at the building and level from the parking lot to the building instead of sloping down into the building. We will discover this spring whether the new walkway keeps the snow-melt from pooling and icing over at the building. To date, the walkway has remained ice-free.

Emergency Preparedness Plan

The Board plans to put procedures in place in case the electricity goes out at The Chateaux for an extended period of time during the winter. It was agreed that if no heat was available in the condos, the water would need to be drained from all the pipes and hot water heaters and that the condos would need to be evacuated until the heat was restored. A detailed plan for such a situation will be added to our Emergency Preparedness Plan.

Hallway Closets

There are still a couple of closets available in some of the buildings for owners to rent for extra storage of personal items. The cost is \$20 per month. Inquire with Danny if you are interested.

Marcellina Property Division

The owners of the Marcellina apartments received approval from the Town of Mt. Crested Butte to divide their property into two halves: the half with the apartments, and a relatively equal sized half to the north of the apartments. It is our understanding that the land is zoned high-density, multi-family and that the divided portion will retain that designation. The Marcellina apartments

have been sold to a new owner, who we understand plans to renovate the units. As of now, we are not aware that the divided land is on the market for sale.

Dog Policy

At the August 2013 Board meeting, the Board voted to authorize a trial period this winter season allowing owners to bring their dogs to their condo, which is a change from not allowing dogs in the winter at all. During this current winter season, several owners have brought their dogs on vacation, and the owners have been respectful by disposing of any waste and ensuring their dogs “use the potty” at the far north and south ends of the property so that unsightly snow was not readily noticeable.

The current dog policy allows Chateaux condos owners (not renters or friends) to bring a dog from June 1 through November 30, but not December 1 through May 31. The Board deliberated on whether to allow owners to bring their dogs in the winter for short periods of time (not to exceed two weeks). While Theresa supported the trial Winter of allowing dogs, she expressed her reservations for changing the policy, believing dogs should only be allowed under special circumstances (e.g. emergencies or one-day stays while an owner is passing through).

In order to monitor the presence of dogs in the winter, all owners bringing a dog would be required to send an email to Danny notifying him of their four-legged guest. As always, it would be the responsibility of the dog owner to have their dog use a potty area at the far south or far north of the Chateaux property. Any poop must be cleaned up and deposited in the large dumpsters. Regardless of the decision on the winter policy, we will also install a poop-bag station for use by the owners for their dogs.

Rory made the following:

Motion: New Dog Policy: To allow owners to continue to bring up to 2 dogs to their condo from May 1 through November 30, as well as now during the Winter Season, December 1 through April 30 for up to two weeks at a time, upon notifying management by email. This policy may be modified/revoked by the Chateaux HOA Board if there are any significant issues with this policy (noise, dog excrement around the property, etc.). All dog owners are reminded that they must pick-up after their dogs.

2nd: Alan

Vote: The Motion passed 3-2.

NEW BUSINESS

Snow Removal

The Board asked that we request all long-term tenants to move their cars weekly to a parking space cleared of snow so that we can then clear the spot where they had been parking. When they do not move their car to a cleared spot, snow continues to build up, making for an un-kept look to the parking lot. Danny will add this rule to a list he has created to distribute to all long-term tenants. Those tenants who do not use their car in the winter will be asked to park them on the periphery of the parking lot instead of close to the building entrances.

With the above-average snowfall so far this season, we will also continue to monitor the accumulation of snow on the roofs to determine if roof shoveling is necessary. At first glance, it appears that minimal ice is forming at the eaves, likely due to less heat passing up into the attics because of the insulation that was added this past summer.

Unit Window Coverings

The Board asked that all the owners be reminded that window coverings must be drapes or blinds, and that flags, blankets, and sheets are not allowed.

Fireplace Cleaning

Sweeping of fireplaces is completed annually as an HOA expense. Several owners have installed wood-burning stoves in their condos, which cost more to service. A supplemental billing will go out to these owners in the future.

Chateaux Operations

The Board again acknowledged that by having Dedicated Property Management (Danny) as the sole “employee” to run the property, that this puts the property at some risk of needing someone to run the property in case Danny were to become ill or incapacitated in some way. The Board allocated a reasonable monthly stipend (under \$300) to be used to employ an additional staff member to assist in the operation of the property and to gain knowledge of said operation. This will be a budgeted item for subsequent years. Monies are available from the anticipated surpluses of the current fiscal year to hire this employee when identified.

Rory made the following:

Motion: To allocate \$1,200 to hire an operations assistant for the Chateaux through June 30, 2014.
2nd: Alan
Vote: Unanimous

Landscaping

Last fiscal year, the Board tabled allocating funds toward continuing the advancement of the Chateaux Landscape Plan, instead allocating funds to complete the Insulation Project. At the annual meeting, the owners present did not readily endorse a supplemental assessment to fully complete the Landscape Plan. With \$22,000 of 2012-13 carry-over Operating Funds being available for allocation to the capital budget, it was felt completing a portion of the Landscape Plan without putting forth an assessment was most appropriate.

Theresa made the following:

Motion: To allocate \$24,000 to complete a portion of our Landscape Plan on the Gothic Rd side of the D Building this summer.
2nd: Rory
Vote: Unanimous

USA Pro Challenge Bike Race

For the third out of the past four years, the USA Pro Challenge Bicycle Race will be finishing a stage in Mt. Crested Butte. The finish line for the two prior years of the Crested Butte stage of

this week-long “Tour de Colorado” has been in front of The Chateaux. If asked, we will again rent the clubhouse out to the race and allow them to set up the VIP tents on our property.

Marijuana Discussion

Marijuana sales and use is now legal in Colorado. The new law allows for consumption of marijuana so long as such consumption is not conducted openly and publicly or in a manner that endangers others. With the Chateaux priding itself in being a family-friendly vacation destination, we will continue to prohibit smoking of any kind at the pool and in other common areas. Most, if not all, owners who rent prohibit smoking in their condos. The HOA would be happy to assist owners in placing additional signage in their individual units.

Capital Projects

The fascia at the roofline of each building will be painted this coming summer. No other major capital projects are currently planned for this summer.

Unit Sales

The Board was provided with recent sales for Chateaux condos. Since our last meeting in August, 2013, seven units have sold ranging in price from \$122,000 to \$230,000.

Establish Date of Next Meeting

The next Board Meeting was tentatively scheduled for the morning of Friday, August 15, 2014, prior to the annual meeting scheduled for that afternoon at 4:00 PM.

Adjournment

There being no further business at this time, Association President, Jack Patton, adjourned the meeting at 11:05 AM.

Approval:

Theresa Brooks
Chateaux Association Secretary

Date