

**CHATEAUX CONDOMINIUMS ASSOCIATION
ANNUAL OWNER'S MEETING
AUGUST 1st, 2009
CHATEAUX CONDOMINIUMS CLUBHOUSE
MT. CRESTED BUTTE, COLORADO
www.chateauxcb.com**

Call to Order

The meeting was called to order by the Board President, Jack Patton, at 9:08 A.M.

Proof of Notice

Proof of Notice was mailed on June 18th, 2009 which was 44 days prior to the meeting date.

**Roll Call/Establish Quorum
Members Present in Person**

Name	Unit #
Paul & Jayne Gamel	101
Anthony & Luz Labato	105
Dwayne Lehnertz	107
Betty Woods	202
Theresa Brooks	203
Delores & Larry Barzune	204 & 311
Jack Patton	303
Louie & Joyce Raven	401
Susan & Ian Leeming	404
Rory & Mary Baruth	407
Greg & Jason Fries	501
Bill Hoitink	508
Matt Hayes	512

Members Represented by Proxy

Jack Patton proxy for:

Karen Deneka	312
Gerard Federico & Veena Mathad	104
Linda & Don Chapman	406
John Calhoon	509
Martin Cohen	204 & 311
Alan Adams	504 & 511
Steve Brough (re-assigned by Wanda)	210
Shadlee McTaggart	212

Bill Hoitink proxy for:

Cy & Janice Hoaglund	302
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Theresa Brooks proxy for:

Glenda Thomas	412
Robert Hollywood	507
Deanna Wenstrup	206
Dennis Morris	408
Peter Herczfeld	405
Clif Walker	505

Rory Baruth proxy for:
Todd & Lynn Young 307

Louie Raven proxy for:
Rogers Wilson 102

Gregg Fries proxy for:
Christine McCleary 309

Matt Hayes proxy for:
Steve Leary 108
Sharon & Tom Dobson 305

A quorum was established with 57% of the membership represented in person or via proxy.

Board Members Present: Jack Patton
Bill Hoitink
Theresa Brooks
Rory Baruth

Management Company Present: Wanda Bearth
Grant Benton
Patrick Seaman

Reading and Approval of Past Minutes – August 2nd, 2008

Paul Gamel made the following -

Motion: To add Delores Barzune as being in attendance, waive formal reading, and accept past minutes as submitted.
Seconded: Delores Barzune
Vote: Unanimous Approval

Reports

Manager's Report

The following report was submitted in writing and reviewed orally by Wanda Bearth and Grant Benton.

Another year has come and gone. Crested Butte Lodging is hoping that the economy has bottomed out as reservations are up 40% for the coming winter. Construction is at a stand-still and there are a handful of contractors looking for work. This is the time to update your condo. If you would like a list of contractors we use just give CBL a call: 970-349-2449.

- ✓ The capital project is completed! Your Board of Directors has signed off on the work. If you have any questions or comments please email Grant at: grant@crestedbuttelodging.com
- ✓ Common water heater timers were installed and you have saved \$5,000.00 to date in electrical costs.
- ✓ Trash – We are pleased to report that through CBL's constant monitoring, and the owners and guests who use the dumpster properly, has saved \$7,500.00 to date. As you have heard me say in the past: Please do not use the Chateaux dumpster for construction debris!
- ✓ We are always in search of better deals: Your chimney cleaning was \$3000.00 under budget. This Chimney cleaning outfit is from Delta Colorado and will hopefully be back again this August.

- ✓ Your Board Member – Theresa – has purchased and CBL has installed ski/bike signs for the outside ski closets. Store bikes/ski equipment in these closets at your own risk.
- ✓ CBL has installed signs - Warning: Snow Shed signs in front of some of the buildings that pose a high risk of snow shedding off of the 3rd floor patio roofs. Park in these areas at your own risk. Please obey these signs!
- ✓ CBL has given your Board an estimate for insulating the crawl space under the Clubhouse. At present about a quarter of the floor is not insulated.
- ✓ The town has installed a new surface on the concrete at the Gothic stairs. Please remember to never use salt or chemicals on any concrete!
- ✓ Through constant phone calls from CBL and Jack, your Board President, to the Town we have successfully forced Marcellina Apartments into purchasing a bear proof dumpster – now if the tenants will just use them! Please call CBL's front office if you see anyone using the dumpster improperly.
- ✓ CBL installed window safety blocks at all 2nd and 3rd floor west facing windows.
- ✓ CBL has spoken to Timberline Plumbing to give us an estimate on installing snow/ice sensor for the concrete around the Chateaux pool.

Please remember to obey all the Rules and Regulations. Please share these Rules and Regulations with your family and guests. Help us help you - to keep *your* costs down.

Give us your ideas and opinions on how to make Chateaux a better place to visit *and* live - please call Grant at: 970 - 349 – 7683.

Old Business

Jack Patton gave a quick construction re-cap stating that only a few minor warranty items are left to attend to. A few rocks have fallen off the buildings, but High Mountain Improvements has been willing to re-glue and/or replace the rocks at no charge under warranty so far. The capital project budget has not changed in 18-20 months. Delores Barzune commented that the landscaping looks wonderful.

New Business

Jack Patton gave a summary of the past year's financial position. According to the un-audited financials prepared by Crested Butte Lodging, the Association made \$1,964 more revenues than budgeted and came in under budget on expenses by \$10,294 for a net difference of \$12,258. Jack also mentioned that this does not account for the fact that the Association was "in the hole" one year ago—due to budget overruns with snow removal, related to the historic '07-'08 snow fall. As of 6/30/09, the Association had \$32,000 in operating funds and \$9,000 in the capital improvement fund.

The new proposed budget includes \$15,000 in contingency funds and \$22,000 allocated for the capital reserve fund.

Long-Term Budget - Grant and Theresa worked on the long-term budget for the Association, which currently spans 9 years. There are many unknowns in the long-term budget including life expectancy of assets and what the future cost of projects will be, but management and the Board will continue to refine these expectations at each biannual meeting. Major items in the budget include replacing the 10 fire escapes, re-finishing the pool/hot tub, landscaping around sides and backs of buildings, replacement of retaining walls, replacement of common area washers & dryers, clubhouse improvements, seal-coating the parking lot, and many other smaller items.

Chateaux will need \$125,000 - \$150,000 each year for the next three years to be able to complete the necessary capital maintenance and repair plan. This would amount to approximately \$2,000 - \$3,000 per unit per year for the next three years. The Board has not reached a decision regarding approval or funding for the plan.

Condominium Interior Insurance – The Board reminded the membership that each homeowner is responsible for having insurance on the interior of their units per the operating documents. Currently, less than 25% of homeowners have provided proof of such insurance. Jack advised that the Board approved an amendment to the Association’s rules and regulations at yesterday’s meeting implementing a fine of \$100 for each month an owner is not in compliance with this rule.

Questionnaire Results –

Purpose of Questionnaire: The purpose of sending out this questionnaire was to gather information and ideas. It’s a diagnostic tool used to collect owners’ opinions about the current performance of the Board, the association management, and the main rental company to identify strengths and weakness so that moving forward we can use this information to make better decisions that will improve both the Chateaux community and property.

Statistics: 30/58 Units responded= 52%
Rent through CBL 18/29 = 62%
Rent By Owner or other 4/29 = 14%
Do Not Rent 7/29 = 24%
Live in Unit 1/29 = .03%

Ranking:1 being very poor and 5 being excellent. Capitalized answers=Clear majority

I—BOARD OF DIRECTORS Service

- 1) In general, how would you rate the Board Of Directors (BOD) in responsibly meeting the association’s needs? **Average: 4**
- 2) Are the BOD members accessible? Do you have—or can you easily obtain, their phone numbers and email addresses? Can you get a hold of them if you need to? **Average: 4.2**
- 3) Are they responsive to your concerns when you do approach/contact them? **Average: 4**
- 4) Communication—Do they keep the owners informed of important issues and happenings at Chateaux? **Average:4**
- 5) Fiscal Responsibility--Are they budgeting and spending Association funds responsibly and fairly? **Average: 3.6**
- 6) Are the BOD’s fiscal decisions sensitive to the *majority* of the owner’s economic situations? **Average: 3.4**
- 7) Is the Chateaux BOD being proactive and attempting to anticipate future Association needs? **Average: 3.9**
- 8) Does the BOD achieve a good balance representing all owners –not just those who short-term rent? **Average: 3.5**
- 9) Is the BOD making the right decisions to protect and enhance the homeowner’s investments? **Average: 3.9**
- 10) Chateaux has a website at www.chateauxcb.com. Do you utilize it to find information?
Yes **SOMETIMES** No
- 11) What would entice you to use it more?
a. Rental Information

- b. More frequent updates It looks great and is easy to navigate**
- c. Perhaps schedule of events or forecast of occupancy**

12) How could the website better meet Association's needs?

- a. More current Information**
- b. Special promotions that could drum us some extra operating funds or future savings**
- c. VBRO rentals**
- d. Simple entry & password added to it**
- e. Frequent updates**

13) Would you like to see a section on the website to advertise units for sale on it?

YES Not Necessary

14) Do you feel the Clubhouse is underutilized? And if yes, how would you like to see it better utilized?

YES No

Comments:

- **Management office, non-renter usage, or pool parties**
- **Not sure need to expand usage--that will just cause wear and tear**
- **Should be revenue producing**
- **Have it open from ski slope close til 8pm with beer /bar/wine/snacks**
- **Workout room?**
- **Maybe during busy season, there could be a card night or movie night?**
- **I feel the clubhouse has no benefit to owners who do not rent**
- **Market some special deals ie group meals or breakfast weekends, pool-side BBQ**

15) Do you consider local phone service a necessity for you and your guests or might cell phones work just as well?

Yes, I want a local service **NO, I DON'T NEED IT – CELL PHONES ARE GOOD ENOUGH** I Don't care

16) With strict noise and waste removal guidelines, would you support **owners only**—not renters--being allowed to keep pets on property? **VERY even split between owners want pets and not**

Yes, full time Yes, but for not more than two months at a time No pets, never

Comments:

- **Many owners against the pets being allowed anticipate the following problems: Owners will not pick up after their dogs, Dogs will bark, disturbing neighbors, It will be a pain for the management company to enforce the rules and fine those offending animal owners, they will create more wear and tear on the property--inside and outside.**
- **Owners for allowing pets claim that this should be a privilege for owners only and that it's only fair that they have a choice to have their pet in their unit, they want to have their pet and the rule should be changed ASAP.**

17) List 2 things you would realistically like to see the BOD do differently.

- **Pool-several people requested that we extend the pool season, have the hot tub open year-around, and do better to enforce only Chateaux residence and rental guests use the pool.**
- **Hold down spending**
- **More long-term strategy--perhaps post a 3-5yr plan for complex**
- **Spend money locally whenever possible**
- **Better communication--esp. with people who live at Chateaux to get a better "overview" of the property and insight into common problems.**

- ***BOD is doing a great job; I'm not a Monday morning quarterback.***
- ***Put out bid for new management company-services ad cost comparison***

II-- MANAGEMENT Performance—Crested Butte Lodging's management of the Association

- 18)** Does CBL keep the property neat, clean, and free from garbage? **Average: 3.7**
- 19)** Does CBL keep the parking lot and entries clear of snow and ice in the winter –in a timely manner?
Average: 3.5
- 20)** Does CBL keep the pool, hot tubs, pool chairs, bathrooms and saunas clean and tidy?
Average: 3.5
- 21)** Does CBL personnel check ID's at the pool periodically and evict "poachers" without being summoned by an owner to do so? **Average: 2.1**
- 22)** Are the interior hallways of the buildings kept neat, free of garbage, and clean? **Average: 3.6**
- 23)** Is CBL responsive to owner calls to report items needing attention, such as burned-out entrance light bulbs, broken washing/drying machines, cable, internet or phone issues etc? **Average: 3.8**
- 24)** Are CBL employees easy to identify, pleasant, friendly and respectful? **Average: 4**
- 25)** Is CBL responsive to your communication, requests for information or other needs? **Average: 4.2**
- 26)** Does CBL send you your monthly statements in a timely manner? **Average: 4.6**
- 27)** Does CBL do a good job of enforcing Association rules? **Average: 3.6**
- 28)** In terms of managing the Association's property (common areas: hallways, entrances, parking lots, Gothic staircase, pool & clubhouse) list 3 things would you like to see a management company do differently or better:
- ***The primary areas of concern for most owners:***
 - ***Take more personal interest in upkeep of property***
 - ***Ensure dumpster never overflowing,***
 - ***Keep common areas neat and clean,***
 - ***Enforce the rules better--esp pool, parking passes & pets***
 - ***Walkways kept clear of snow better***
 - ***Keep area well-lit and safe***

III--CBL RENTAL performance— 17/29 rent through CBL

- 29)** In general, how would you rate your short-term rental company's performance? **Average: 3.1**
- 30)** Are you satisfied with the housekeeping service? **Average: 3.6**
- 31)** Are you satisfied with the maintenance service? **Average: 3.2**
- 32)** Do you feel your unit is rented as frequently as other comparable units? **Average: 2.6**
- 33)** Are the CBL staff responsive, friendly and respectful? **Average: 4.3**
- 34)** What 2 things would you like to see your rental company do differently?

Items most owners were concerned with:

- **Much better exit inspections--temp turned down, checking for damages & missing items.**
- **Better housekeeping**
- **Lower maintenance charges (& frequency necessitating charges). More rentals**

Items few owners concerned with:

- **Take a smaller commission**
- **Better communication with owners concerning needed repairs, rates and when comping unit**
- **Lower rates for condos not upgraded**

IV—Future Expensive Items Needing Funding—

- 35)** Re. landscaping, should we “whittle away” at the plan doing a little each year as much as possible and spread this out over 3-5 years, or would you prefer to have it all done during one summer?
A LITTLE AT A TIME All at once
- 36)** Should the BOD approve another special assessment to finance these renovations?
Yes Maybe **NO**
- 37)** Should the BOD consider borrowing the money needed to finance these renovations from the bank by taking out a mortgage against the property and payback over time?
Yes **NO**
- 38)** If a loan is obtained to complete the landscaping & renovate the fire escapes, how would you prefer to pay your portion:
a) A **LUMP-SUM** payment.
b) **RAISE HOMEOWNERS DUES** a certain amount (that takes into consideration the assessment plus the interest paid on the loan) for a specified number of years. After that time is up, the dues revert to the amount they were before the renovation assessment.
c) **PAYMENTS MADE EVERY 6 MONTHS** plus any portion of interest from borrowed money.
d) **OTHER: Multi-year installment plan**
Ignore need for improvements and worry about it later
- 39)** Are there any other comments, issues or concerns that you would like the BOD to address?
Please list them below:
- **Water main shutoff valve for EACH unit**
 - **Gas fireplaces**
 - **Do no further landscaping**
 - **Several owners- Do not spend anything else now, until the economy recovers**
 - **Do not raise monthly dues any more because hurts resale**
 - **Reconsider current management company--at least obtain bids for alternatives**
 - **Re cleaning interior common areas; Perhaps post paper, signed & dated when done to prove done?**
 - **Thank you to all Board members for all your hard work.**
 - **Slowly keep upgrading buildings & property to maintain our property values**
 - **Please allow owners to have pets in their units.**

The Board would like to thank all those who made the time to share his or her opinions and ideas. In the coming months, go to the website to find a list of goals the Board has formulated in response to the information gathered from this questionnaire.

Election of Officers

One board seat, currently held by Theresa Brooks was up for re-election and Theresa indicated that she would like to serve again. No interest in serving on the board was expressed by the members present, nor had management received any response to the memos regarding the open seat.

Therefore, being an uncontested election, a secret ballot was not required.

Louis Raven made the following -

Motion: To elect Theresa Brooks to another three year term.
Seconded: Betty Woods
Vote: Unanimous Approval

Member's Open Forum

Phones – A homeowner asked if they were required to have a phone in their unit. The Board informed the membership that it is up to the owner whether he/she wishes to have a phone in a unit. Wanda added, that to be part of Crested Butte Lodging's the short-term rental program, an in-unit phone is required.

Snow Removal – An owner wasn't impressed with the snow removal during a stay in January. CBL asked that homeowners inform them if something appears to be amiss while CBL can still do something about it.

Pool/Clubhouse Usage – Paul Gamel mentioned that there had been a loud party at the clubhouse recently and asked that homeowner's do not abuse the privilege of being able to use the clubhouse. Paul asked that homeowner's assist by helping to monitor the property. If a homeowner is uncomfortable addressing an issue, management should be called and will address the situation. Paul noted that the pool and clubhouse have always been a problem and that there will always be some issues with enforcing the rules at the pool.

Establish Date of Next Annual Meeting

Jack asked the membership when they would like to have the next annual meeting. After some feedback, it was tentatively scheduled for August 7th, 2010 at 9:00 a.m.

Management Company Change

Jack announced that the Board of Directors has decided to hire DB Myers Enterprises, Inc. (Danny Myers) as the new management company for the Chateaux Condominium Home Owners' Association effective October 1, 2009. It was clarified that this change is for the HOA Common Area Management only. Individual owners' contracts with Crested Butte Lodging for short term or long term rentals are individual agreements and are not a part of the HOA Management Agreement.

Adjournment

Association President, Jack Patton, adjourned the meeting at 11:40 a.m.

Approval: _____

Date

Theresa Brooks
Chateaux Secretary