

**Chateaux Condominiums Board of Directors Meeting  
Chateaux Clubhouse, Mt. Crested Butte, Colorado  
Saturday, January 24<sup>th</sup>, 9:00 a.m. MST  
www.ChateauxCB.com**

## **Call to Order**

The meeting was called to order at 9:02 a.m. by Jack Patton, association President.

## **Roll Call/Establish Quorum**

Board members present:

Jack Patton  
Theresa Brooks  
Alan Adams

A quorum was established, having 3 of 4 Board members in attendance.

Homeowners present:

Todd Young

Crested Butte Lodging & Property Management (CBL) staff present:

Wanda Bearth  
Patrick Seaman  
Grant Benton  
Lee Friedman

## **Reading and Approval of Past Minutes**

Alan made the following:

Motion: Waive the formal reading of the minutes from the August 2<sup>nd</sup>,  
2008 meeting and approve as presented.

2<sup>nd</sup>: Theresa

Vote: Unanimous Approval

## **Manager's Report**

The manager's report was delivered by Wanda and Grant.

## **Administrative Items**

**Insurance certification:** Only a few owners have complied; we'll send a reminder in a future memo.

**IRS:** Taxes are ready for filing and the draft audit is included in the meeting packet. Don McNurlin, the auditor, is fighting tax penalties from the sale of unit 104 which now amount to more than \$3,300. Don has recommended that the Association not pay the penalties yet as it would be harder to re-coup the fees after paid. Don would like to attempt to contact the IRS one more time in an attempt to get the fees waived. CBL recommended that the Association allow Don to try once more.

Theresa made the following:

Motion: Authorize CBL to have Don McNurlin spend up to 4 hours in an effort to get the tax penalties waived and to have closure on the sale of unit 104.  
2<sup>nd</sup>: Alan  
Vote: Unanimous Approval

**Insurance claim:** Last winter's damage to the windows, fire exits and siding was a covered loss, but a claim was not filed based on the loss total of \$7,500 with a deductible of \$5,000 and the likely increase in future premiums. The agent advised that the claim-free discount is approximately 10%.

**Deck Patrol:** We've had several violations (storing wood, toys, etc) from long term renters. CBL has contacted the violators as necessary and it seems to be under control now.

**Parking Lot Patrol:** The lot was filled to capacity over the holiday week and we've had a few issues with snow covered cars, but we have not had to tow anyone. We experimented with snow banks (aka snow storage) in front of the decks roof slide areas (parking lot side of E, C & B buildings), and to our surprise, people parked in front of the banks anyway, blocking the driveway. We've since removed the banks and have installed signs reading "no parking, falling snow and ice."

**Pool Patrol:** Cowboy steel added a box at the top of the fence and a plate over the latch to prevent anyone from reaching over or sliding a credit card in to gain access. There have been a few instances when CBL has caught Marcellina residents poaching the pool, but the problem isn't as serious as it has been in the past. The alarm has been set off numerous times during the night, most often due to snow sliding off the roof.

### **Property Maintenance**

**Entries:** Timers have been installed on all entry lights. Following the fire with the B building light fixture, new fixtures were installed, checked, and repaired as necessary by CB Electric for all entry lights. There have been no further problems.

**Fire Escapes:** Circular stairs, poles, ropes and ladders are not acceptable fire escapes per the fire marshal. Following his advisory, we attempted to cut a path from the D building fire escape to the driveway. It was inefficient and cost prohibitive, but the Board

may want to consider utilizing a Bobcat to cut the paths, which has proven to be a better method for 3 Seasons.

**Pool Cover:** The aluminum crank arm is cracked but was under warranty and has been replaced.

**Pool Equipment:** CBL drained the pool on November 4<sup>th</sup> to repair 1 drain cover and clean the pool tiles and pool bottom surface (one tile was replaced but another broke days later and will be replaced when the order arrives). The pool boiler stopped working around the Christmas Holiday break and we had Timberline come in to inspect and repair. They repaired the limit switch, pressure switch, the flow valve assembly/gasket, and 2 safety shut offs. The bulk of the cost was labor (300.00), pressure switch (130.00), and the flow valve assembly (160.00).

**Vapor Barriers-Insulation:** Done and double checked by Patrick.

**Phone Boxes:** Electronic Solutions and Qwest state that the decks must be moved to access the terminals in order to move/repair the boxes that were damaged during construction. Forty units are on CBL's phone service, so we assume that up to 20 units are possibly affected (as they may be with Qwest).

**Wood closets:** The A building wood closets were insulated at a cost of \$750.00 (this is an average cost of the two as one closet is larger than the other). With the Board's approval we'll continue insulating the other buildings this spring. Since July we've stocked the closets with 16 cords of wood and we have another 14 cords on hold which should last through the fiscal year. We have used more wood than expected in the E and C buildings. We discovered long term renters trying to heat their condo with wood. We have spoken with all long-term tenants and believe the situation has been resolved.

**DDA Staircase:** Chateaux is responsible for purchasing and applying the sealant to the new concrete pads this spring. The town manager has given us contact information for the contractor who installed the new pads if needed.

**Cable/Internet reception:** Both have improved since the installation of boosters this Fall. CBL rewired the TV cable in the clubhouse and the reception is much better.

**Dumpster light:** We installed a solar light this fall. It has been damaged, and we believe the damage was caused by snow shed from the Marcellina roof. We are looking into a more hardy replacement.

**Capital project punch list:** We've completed about 1/2 of the remaining punch list items created during the Board's walk through. Transitions from the floor to the slider, caulking and touch up painting were the bulk of the list.

**Capital materials:** After a long delay, we were able to get siding and the damaged portions have been replaced. We have additional refractories, rock, paint, and siding stored in the clubhouse.

**Water heater timers:** We've installed timers on the water heaters for the washers and clubhouse. We completely shut down the clubhouse water heater in the off season.

**Grills/Vents:** We noticed that the chimney grills are attached to bare wood and we'll paint or seal that wood this summer. Several dryer vents were damaged and/or peeling- we've replaced and repainted as needed.

**Utility doors:** The ski storage closet doors and utility closet doors have been painted. The trim has been started but will not be complete until spring.

**Washer line freezes:** There have not been any sewer freezes this year, however, 3 of 5 buildings had issues with freezes to the washer water supply lines. We have noticed that the ski closet doors are frequently left open, so we are adding door closers to each of those doors. The E buildings water line split and a small amount of water leaked into the hallway. The drywall was opened to repair the split and insulation was added.

**Clubhouse:** A used stove has been installed; it is intended to be temporary. We've included estimates in the packet for a new stove as well as a kitchen remodel bid for the Board's consideration.

## **Financial Report**

Each person reviewed the report independently, and a few items were discussed:

Jack asked CBL to question the auditor as to why the capital project was not being depreciated on the balance sheet.

Regarding Chateaux's line of credit, Alan asked CBL to look into getting a business line of credit instead of a demand note line of credit which the Association currently has. The demand note could be called in at any time, which could have the potential of happening at a time when Chateaux does not have the money to pay it off. A business line would have to be renewed annually.

There was some discussion regarding the budget item for chimney cleaning. The cleaning was budgeted to happen in May, but in fact, was started in August and finished in October. The expense is showing over budget even though the budgeted amount is more than the total expense already incurred. Jack would like to see the budgeted amount on a one-time expense like chimney cleaning reflect in the same month the expense is incurred.

Alan made the following:

Motion: To move budget items to the month the expense is incurred if it is a one-time expense for the fiscal year.  
2<sup>nd</sup>: Theresa  
Vote: Unanimous Approval

After the punch list items are completed, and before the end of the fiscal year, the Board would like to see the project account balance brought down to \$0. The bank account should be closed, and any excess income should be moved to the capital account. The punch list items will also be re-classed from GL616 to special project GLs.

## **Old Business**

Fire Escapes – Grant explained that the only allowable fire escape options would be to replace the current fire escapes with a similar design (possibly enclosed) or continue to fix the escapes as they are. The Board expressed the desire to find an inexpensive way to update the railing to be in compliance with current building code. CBL offered to get some options for the Board to review.

Landscaping – Theresa informed everyone that a complete replacement of the retaining walls could cost between \$250,000 and \$350,000. However, the landscaper feels that if the HOA installed a “tiered” boulder retaining wall near the bus turn around in front of the D & E buildings, it would not only look better but could save the HOA \$100,000 or more. The boulder wall would have plantings in between the boulders for aesthetic purposes.

The other item that needs to be addressed immediately is the eroding slope in front of the A & B buildings between the service road where we store snow in the winter and Gothic Road. The landscaper will regrade road area necessary and put in catch basins and appropriate drainage pipes to guide drainage—snow melt and building drainage—directly to the city flood water drains on Gothic Road. The cost would be approximately \$5,000.

The retaining walls need to be assessed for structural reasons. The Board would like to have a better idea of the lifespan of the current walls before any decision is made about when and how we replace them. CBL will find an engineer that can assess the retaining walls as soon as possible, but it may have to wait until the snow has melted around the wall.

## **New Business**

CBL Check-in Form – Jack brought up a couple of items that he would like to see on Chateaux’s check-in form that CBL gives out to short-term tenants and owners. The three items to be added to the form are:

1. Inform tenants of the allowable items on decks

2. Use of ski/bike closets is at your own risk and advise the use of a lock and keep doors closed.
3. Pay attention to roof snow shed areas and park at your own risk

The guest will have to initial or sign that they have received and will abide by the rules. CBL offered to include a memo to all homeowners informing of these three items as well.

Open Board Seat – Jack informed everyone that both Rory Baruth and Susan Leeming approached Jack to fill the vacant Board seat. Both candidates are very well qualified and would be a valuable addition to the Board. The Board (including Bill Hoitink) had previously discussed the candidates. .

Alan made the following:

- Motion: To have Rory Baruth fill the vacant Board seat taking over the term that was previously vacated by Paul Gamel and in effect until the annual meeting in 2011.
- 2<sup>nd</sup>: Theresa
- Vote: Unanimous Approval

Declaration Amendment – CBL recommended to the Board to abandon the previously discussed amendment which would have added language correlating to state legislation which gives HOAs a superior lien status for 6 months of assessments. This recommendation is based on experience in another association where mortgagees foreclosing abided by state law and did not try to bargain down based on the current Declaration provisions, which happen to be less favorable for the HOA than state law. If the HOA wants further amendments to the Declaration, the lien status can be reconsidered at the same time.

Homeowner Education – Jack wanted to see more communication with homeowners in an effort to educate for items such as explaining the difference between association and short-term rental management.

Mortgage Approval – Wanda informed and cautioned the Board that if the HOA website looks to be any sort of marketing tool, there could be a problem for homeowners seeking to purchase a condo at the Chateaux because lenders may believe that the HOA is handling rentals and that is considered a risk factor.

Management Contract – CBL offered to create several different versions for the Board to choose from. One would be the same as the past year with no rate changes. The second option would include a rolling clause eliminating the need to re-sign the contract each year. If there were to be a change to the contract, it would need to be communicated 30 days prior to the contract ending date. The third option would be to “flat fee” the day-to-day maintenance and common area cleaning items. The Board considered the options and asked CBL to provide details through e-mail about the options and the Board would discuss.

Clubhouse Kitchen Remodel – The Board is happy that the kitchen is functional and thinks that there are other priorities that available funds should be used for at this time. They asked that the kitchen, and clubhouse remodel be put on the long-term capital plan for the HOA.

**Establish Date of Next Board Meeting**

The next Board meeting will be for the primary purpose of discussing and finalizing the budget. It will be a conference call tentatively scheduled for Friday, May 22<sup>nd</sup>, 2009. The time is TBD. The Board also discussed the annual meeting schedule.

Alan made the following:

- Motion: To hold a Board meeting at 1:00 p.m. on Friday, July 31<sup>st</sup> that will conclude following the homeowners meeting on August 1<sup>st</sup>, 2009, which will commence at 9:00 a.m.
- 2<sup>nd</sup>: Theresa
- Vote: Unanimous Approval

**Adjournment**

Alan made the following:

- Motion: To adjourn the meeting at 1:42 p.m.
- 2<sup>nd</sup>: Theresa
- Vote: Unanimous Approval

Accepted: \_\_\_\_\_ (date)