

**Eagle's Nest Townhouses of Mt. Crested Butte
Annual Homeowners Meeting Minutes
Three Seasons Meeting Room, 701 Gothic Rd., Mt. Crested Butte, Colorado
Monday, August 1, 2011 9:00 a.m. MDT**

Call to Order

Rick Grivas called the meeting to order at 9:07 am.

Proof of Notice

Mailed out 36 days prior to meeting.

Roll Call/Establish Quorum

<i>Owners Present in Person or by Phone</i>	<i>Unit #</i>	<i>% of ownership</i>
Ewing	1	2.38
Gibbs	2	2.38
CBD Investments	4	2.38
Jennett	7	2.38
Calhoun	10	2.38
McVaugh	13	2.38
Morrison	15	2.38
White	19	2.38
Tata	20	2.38
Breen	21	2.38
Keller	23	2.38
Sharkey	26	2.38
Goetz	27	2.38
Grivas	28	2.38
Baber	31	2.38
Sewell	32	2.38
May	34	2.38

<i>Owners Represented by Proxy</i>	<i>Unit #</i>	<i>% of ownership</i>
Pinkerton	5	2.38
Patton	9	2.38
MacFarland	14	2.38
Maltby	16	2.38
Timeshare (Warner)	17	2.38
Pitcock	18	2.38
Bertram	25	2.38
Timeshare (Warner)	33	2.38
Timeshare (Warner)	35	2.38
Timeshare (Warner)	38	2.38
Gall	39	2.38

A quorum was established with 71.4% of the membership present or represented by proxy.

Crested Butte Lodging and Property Management (CBL) staff present:
Wanda Bearth
Lee Friedman
Grant Benton
Patrick Seaman

Reading and Approval of Past Minutes

Dan Goetz made the following-

Motion: To waive the formal reading of the 8/2/10 minutes and approve as submitted
2nd: Monique Calhoun
Vote: Unanimous approval

Manager's report

Grant Benton reported that the following work was performed on the Eagles Nest property by Crested Butte Lodging's maintenance staff under the direction of the maintenance manager Christopher DeFelice and property manager Grant Benton. Along with the standard repairs and upkeep such as plowing, hot tub repairs / chemical tests, and common cleaning, there were a number of other tasks. Some of the larger projects are listed below:

- CBL ran and buried new TV cable behind the buildings and tested each TV connection in each condo. The lines were run for the loft and east facing "flat roof" room. The living room and master bedroom are on a separate line that we hope to have replaced in the next year.
- Cut and painted plywood for lower window protection during winter.
- Power washed garage doors after construction.
- Performed our annual chimney inspection and cleaning.

Most of CBL's focus was on the capital plans and repairs. Our main focus was controlling what we could of the Eagles Nest funds and as of May 31st:

- Our plan to reroute common heaters from the bottom of the common stairs to the top of the stairs has saved Eagles Nest \$6568.25 since 9/1/2010.
- Keeping an eye on trash, chimney cleaning, maintenance repair and other items has helped save Eagles Nest \$17,203.04 in the last 11 months.
- CBL's budget to assist with 2011 capital work was \$15,000 and as of May 31st we were under budget by \$7605.58.

Financial Report

Lee Friedman reported that the audited financial statement for the fiscal year ending August 31, 2010 has been posted to the association's website. For the current year, and as of June 30, 2011, the capital funds on deposit total \$383,273.28 and there is \$110,338 in available cash in the operating accounts. Regular operating expenses are running \$20,294.09 under budget.

Old Business

Phase 1 recap: Back side siding finished in June. Old siding removed to original plywood. New wrap and siding added. Flashing added to back windows. Loft windows in front were replaced. All new siding is steel and does not need regular maintenance. Trim is cedar and will need periodic painting and maintenance. Length of project was an issue but addressed in contract for phase 2.

Phase 2: Finished in July. New parking lot pavement. Bolstered retaining wall by adding soil nails and concrete. Part of the lower wall was bolstered with shotcrete which is a type of spray concrete. Old beams are hidden behind the concrete. Drains added in front of garages with 4" piping. Several units have issues with water entering garages. Old drains are still functioning properly to help remove water from behind and underneath units. Electric heat installed in concrete aprons where there have been ice dams in the past. CBL will turn heat on as needed to control electricity expenses. Rick asked which homeowners are experiencing water coming into the garages: 34, 7, 26, 15, 20, 32, 39,,4. Zenia asked if future mud jacking will be completed to help with these issues. The Board hasn't made a decision if and when future mud jacking will be completed. There is water entering garages due to splash back from water draining off the roof edge, splashing on the door and running underneath the door edge. CBL will investigate further during a rainstorm. Homeowners are very concerned about the slope on some of the aprons that may funnel water into the garages. Ben White, architect, noted that there are approximately 10 units that have aprons that are sloping into the garage. Two options to fix would be to mud jack garages or add a gutter system to the roof to help move water away from the garages. Mud Jacking is approximately \$1,700 per garage. It would help flatten out the garages due to current cracking conditions that are similar in every garage. This may or may not solve the problem. There are voids under many of the garages and mud jacking will fill the void but may not help the water issues. Some homeowners believe the shoulders between the garages are part of the problem and are directing the water to the garages. The Board wants to figure out where the water is coming from so they can find out how to address the problem. Unit 4 has some leaking into the garage and has drywall damage in the garage. Unit 19 has some stains under the flat roof. Unit 15 has a hole in the garage ceiling that could be water related. Rick Morrison suggested adding drains in the garage that would connect to the new drains in the parking lot.

Rick informed the membership that phones at upper EN are out. The contractor found a line during construction and was informed that it was a dead line and could be torn out. It turned out that the line was a main trunk to all the upper units and will be fixed soon.

New Business

Phase 3: Flat roof repairs. The flat roofs were replaced in 2003 and have a least 4 layers of membranes. They get replaced every 7-8 years. This summer they will be patched until a more permanent repair can be made. One idea is to put in a sloped roof over the flat roofs that is a standing seam metal roof similar to the upper roof. To replace membranes, the cost is around \$2,000. A couple roofs have more extensive damage and will cost roughly \$3,700 to replace. To install a sloped roof would cost approximately \$4,500. Two units would have to be done at the same time due to how the roofs come together. Rick asked for direction/opinion of membership on how to proceed. A sloped roof would help with snow removal. It would be much easier to remove snow and help move snow away from the building and back windows. The Board would like to try a sloped roof on units 19 and 20 since that is where the worse damage is and as an "experiment." The suggested slope would be 2" of slope per linear foot. There is a concern that snow would pile up next to the window. One solution would be to add a snow fence on the top roof so that less snow would fall to the lower roof. Another possibility would be to extend the upper roof line so the snow falls further away from the window. This would be very costly and would affect the brand new roof. Ben believes it is a great idea to install the sloped roofs. Roof heat could be added to melt the snow under the window. Electric cost would be high. Water sits on the flat roofs currently causing additional damage. With the sloped roofs, additional insulation would be added increasing overall efficiency. The proposed flat roof would be roughly 12-18" below the window. Apron heat is being estimated at 8-10k of additional electricity expense.

The goal for phase 3 is renovating the fronts of the units.

Stucco replacement with stone would cost \$120,000. Doing just stone would be more expensive. Cultured stone would have vapor barriers behind it which doesn't currently exist behind the

stucco. Manufactured stone would be easy to fix if it were damaged. Stone would cost around \$18 per square foot installed per contractor estimate. Mr. McVaugh suggested purchasing the stone direct to save money and noted the vapor barrier is the most important item as water will find it's way through any material used. Several homeowners commented that they like the stone look. Outrun looks nice and cohesive. Overall the general opinion is that stone looks the most attractive. The stone would go to the top of the garages. The stucco up the chimney could also be replaced with stone. The Board is thinking of using siding on the chimney to help the HOA not look so vertical.

New entry sets for the doors leading into the common stairway. Hall carpets may be replaced as well as painting in the hallways.

New garage doors. Currently looking at a steel door because it would be better for water issues. The cost is approximately \$40,000 - \$61,000 depending on design of garage. General opinion is to go with the nicer design for the cost difference.

Balcony decks. New "belly bands" would be added across both balconies to separate siding. Steel siding will be added across the front of the balconies. Upper would be light green siding and the lower would be darker green to go with current color scheme. Knee-wall would be removed and the column would be replaced with a smaller column increasing the view. The railing would be replaced and made to code. Railing is approximately \$26 per linear foot and the Board is trying to control this cost. Membranes would be replaced under the balconies. The current membranes are original. The Board is considering replacing the doors and windows on the balconies now or waiting a few years. Cost without windows and doors would be \$575,000. Windows and doors would add another \$295,000. To do it all in one year would require roughly a \$25,000 assessment if done in one year. This could be divided up to spread out cost. \$870,000 does not include sloped roofs. The Board asked for input whether to do all at once, divide it up, or not do some of the proposed work. Deck membranes should be replaced to avoid future leaks into the living rooms.

Zenia mentioned that a 25-30k assessment could be difficult for some owners and it might be prudent to wait until property values increase. Some of the proposed items are necessary and some are cosmetic only. The amount of work proposed will probably take a couple years to accomplish. There would be a slight cost savings to doing it all at once. Mr. Ewing thinks the HOA should be responsible and take care of the most practical items first. The cosmetic portions of the proposal will help units sell. Rick Grivas took a poll of the membership. Almost all homeowners in attendance would like the project to be done over two years with two assessments of approximately \$15,000 each. The next assessment won't be announced until January, 2012 officially.

Timeshare Dissolution: Units are for sale for \$235,000. The units will be sold as whole units and are being sold furnished. The timeshare association will be dissolved after the units are sold which will help with lending issues for owners in the complex. Wanda advised the membership that amending the declaration to dis-allow timeshares, following the dissolution would aid in owners ability to qualify for a standard mortgage, given that the secondary mortgage market does not issue loans in properties with timeshare units.

Members Open Forum/Unscheduled Business

Ron thanked Crested Butte Lodging for the responsiveness over the years and for the wonderful help in assisting with the construction projects.

Election of Board of Managers (3-year term)

Ron nominated Rick and Susan to run again since they have been involved in the construction process and have contributed very much to the Board and the Association. Monique also

mentioned how practical and responsible they are and really take homeowner's personal feelings into account and keep the best interest of homeowners in mind.

Linda Jennett made the following-

Motion: Nominate Rick Grivas and Susan Baber to serve another 3 year term on the Board.

2nd: Polly Keller

Vote: Unanimous approval

2011 Board of Managers

Rick Grivas, term expires 2014

Susan Baber, term expires 2014

Ron Warner, term expires 2013

Dan Geotz, term expires 2012

Monique Calhoon, term expires 2012

Establish Date of Next Annual Meeting

Per bylaws, the meeting shall be held on the first Monday in August which would be August 6, 2012.

Adjournment

Rick Grivas adjourned the meeting without opposition of the membership at 12:02 pm