

**CHATEAUX CONDOMINIUMS ASSOCIATION
ANNUAL OWNER'S MEETING
AUGUST 17th, 2012
THE CHATEAUX CONDOMINIUMS CLUBHOUSE
MT. CRESTED BUTTE, COLORADO
www.chateauxcb.org**

Call to Order

The meeting was called to order by the Board President, Jack Patton, at 4:02 PM.

Roll Call/Establish Quorum:

Members Present in Person

| Name | Unit # |
|-------------------------|---------------|
| Theresa and John Brooks | 203 |
| Jay and Luci Doyle | 208 |
| Tom & Mary Aton | 209 |
| Jack & Caryn Patton | 303 |
| Shay & Ashton Wycoff | 304 |
| Susan Leeming | 404 |
| Rory & Mary Baruth | 407 |
| Gregg Fries | 501 |
| Alan Adams | 504 & 511 |
| Bob Hollywood | 507 |
| Bill Hoytink | 508 |
| Matt Hayes | 512 |

Members Represented by Proxy

Jack Patton proxy for:

| | |
|---------|-----|
| Restivo | 109 |
| Calhoon | 509 |

Bill Hoytink prox for:

| | |
|-------------------|-----|
| 204 Joint Venture | 204 |
| 311 Joint Venture | 311 |

Theresa Brooks proxy for:

| | |
|-------|-----|
| Bader | 503 |
|-------|-----|

Rory Baruth proxy for:

| | |
|----------|-----|
| Federico | 104 |
| Boenig | 110 |
| Davis | 201 |
| Tremont | 207 |
| Young | 307 |
| Schmidt | 312 |
| Raven | 401 |
| Burke | 402 |
| True | 410 |
| Louis | 502 |
| Myers | 505 |

Gregg Fries proxy for:

| | |
|----------|-----|
| McCleary | 309 |
|----------|-----|

A quorum was established with 50% of the membership represented in person or via proxy.

Board Members Present: Jack Patton
Bill Hoytink
Alan Adams
Theresa Brooks
Rory Baruth

Management Company Present: Danny Myers

Reading and Approval of Past Minutes – August 19, 2011

Motion: By Bob Hollywood to waive formal reading, and accept past minutes as submitted.

Seconded: Jay Doyle

Vote: Unanimous Approval

REPORTS

President's Report

Jack reported that our year-end operating financials saw us staying substantially under budget due in large part to the low snow year, saving the HOA \$19,000 in snow removal costs compared to our anticipated expenses. Savings were also seen in utilities (\$5,000), as well as not having to dip into our \$12,000 annual operating contingency.

Jack reported that the Board is happy with the day-to-day operations of the association and property, with extra care being taken this past year on landscaping, housekeeping, and continued prudent financial management.

In fiscal year 2010-11, all scheduled capital projects were deferred to a future year, yet monies remained available for the time when these projects need to be completed. This past fiscal year, 2011-12, several capital projects were undertaken. The most significant was the replacing of the ten building exterior fire escapes, which are targeted to be completed next month. We estimate being on budget for the fire escape replacement project, which was set at \$180,000. Painting of the five building hallways was also completed, though this project was brought forward a couple of months from the 2012-13 capital budget. Capital funds were also spent this year to seal the stones on the chimney chases and reattach stones that were loose.

Financial Report

Alan Adams, Treasurer, reviewed the un-audited year-end 2011-12 income statement distributed to those present. Our billed income was 1.7% over budget (\$7,500), while our operating expenses were \$42,000 under budget, as previously mentioned, due primarily to snow removal savings, utilities savings, and contingency savings. Our capital expenses exceeded our capital revenue by \$26,000, due to completing the hallway painting this fiscal year instead of next. Our total net income at year end was \$24,806 better than anticipated.

The overall 2012-13 budget, which includes again allocating \$50,000 into our long-term Capital Fund, will be similar to this past year, though expected increases in utility rates will create a deficit in the

upcoming budget. Carryover of surplus income from this past year will cover this anticipated budget shortfall, allowing us to keep the monthly dues at \$475 per unit. Savings from a past year can be carried over to the operating budget of the following year, or allocated to the Capital reserves.

OLD BUSINESS

Hallway Painting

Painting of the five building hallways is planned for every eight years in our Capital Budget. This work was done in the spring; painting of the clubhouse interior walls was also completed.

Clubhouse Upgrade

The clubhouse kitchen now has new cabinets, countertops, and appliances, as well as tile flooring, which also extends into the entryway and bathrooms. New vanities were also installed in the bathrooms. Budgeted capital money was used for this upgrade, along with extra revenue gained from clubhouse rental fees and the short-term rental daily Resort Fee.

Fire Escape Project

Five of the ten fire escapes were replaced last fall; the remaining 5 are currently being replaced. All 5 of these fire escapes are in place, with 2 complete and 3 still needing some railings installed. The work should be complete within the next month.

NEW BUSINESS

Energy Audits: Office for Resource Efficiency

Bart Laemmel from the Office for Resource Efficiency (ORE) made a short presentation on the service provided by his organization. He offered to perform energy audits on a sample of units at The Chateaux, which would lead to recommendations for energy-saving upgrades that could be applied to all Chateaux units. He shared that ORE had access to grant money that could share in funding up to half of certain recommended upgrades. Once the audits are complete, Bart will share his recommendations and cost-sharing options with all owners. Bart also offered to complete an energy audit for the common areas of the buildings to make recommendations for upgrades to the crawl spaces below the buildings and attics above. While there would be a small cost to this to the homeowners' association (under \$1,000), grant money may also be available to share in the costs of any recommended building upgrades.

OWNERS' OPEN FORUM

Pool Usage Rules

An owner asked for clarification on the new pool rule which now states that the Chateaux pool and hot tub are reserved for the exclusive use of persons residing at The Chateaux. While unauthorized use of the pool has declined in the past few years, there are still times when excessive use limits the ability of all persons staying at The Chateaux from enjoying the facilities. Danny stated that excess use most commonly comes from long-term residents inviting friends to join them in the pool and hot tub and owners having pool parties. By limiting usage to only persons staying at The Chateaux, one or two units will be less likely to monopolize the pools. It was clarified that owners could use the pool if their unit was either un-occupied or occupied by them, not allowing for "double dipping" by owners when their unit was being occupied by someone else. The hope is that this new rule controls the over-usage situation enough to not have to spend extra funds on additional monitoring by either human means or electronic means (both options were suggested and discussed).

Grounds Appearance

The new boulder wall constructed at Three Seasons (to replace their failing railroad tie wall) received praise for its appearance. While the Chateaux has created landscape plans that include boulder walls to replace or fortify our railroad tie walls (especially along the exit road below buildings D and E), no intent to proceed with this work is imminent. We do plan to remove a layer of railroad ties that is above the ground line, which will serve to lessen the visual impact of the ties. We will also look to re-seed bare areas around the property with more grass seed again this fall and spring, as well as work to grade and seed between the buildings once the fire escape work is completed in September.

Resort Fee

An owner asked if the Board could reduce the \$10 per night Resort Fee currently paid by vacation rental guests. This fee was implemented to offset additional costs to the owners created by rental guests, including increased firewood use, pool use, internet use, common area housekeeping needs, and common area heating bills. The Board agreed to revisit the fee amount and consider adding a fee for long-term tenants, as they too increase the cost of materials, usage, and upkeep to the ownership.

Election of Officers

One Board seat, currently held by Theresa Brooks, was up for election and she indicated her willingness to serve again. Theresa was nominated from the floor. There being no additional nominations, nominations were closed.

Motion: By Jay Doyle to elect Theresa Brooks to a three-year Board term.

Seconded: Mary Baruth

Vote: Unanimous Approval

Establish Date of Next Annual Meeting

The next annual meeting was tentatively scheduled for Friday, August 16, 2013.

Adjournment

Association President, Jack Patton, adjourned the meeting at 5:15 PM. There was then a BBQ for all homeowners.

Approval:

Theresa Brooks
Chateaux Secretary

Date