

**Chateaux Condominiums Board of Directors Meeting
Chateaux Clubhouse, Mt. Crested Butte, Colorado
Saturday, August 2, 2008, 12:00 p.m. MDT**

Call to Order

The meeting was called to order at 11:15 by Paul Gamel, association President.

Roll Call/Establish Quorum

Board members present:

Paul Gamel
Jack Patton
Bill Hoitink
Theresa Brooks
Alan Adams

A quorum was established, having all 5 Board members in attendance.

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
March 31, 2008 meeting and approve as presented.
2nd: Bill
Vote: Unanimous Approval

Reports

Manager's Report-CBL had no further additions to the manager's report given at the annual homeowner's meeting held earlier in the day.

Paul raised concerns regarding the high cost of snow removal the past season. Grant explained that the cost was extreme due to the amount of snow, but also the fact that snow had to be hauled off site for storage and that the roofs had to be shoveled for the first time in recent history. Wanda reminded the Board of the discussion held at the January Board meeting when the budget had already been exhausted and of subsequent emails advising of CBL's intention to reduce the snow removal efforts by changing

the snow plow start time to 6 inches of snowfall, storing snow at the end of the A building (reducing parking) and reducing the frequency in which the snow removal company 'manicures' the lot.

Jack and Paul requested that CBL extend a greater effort to communicate with the Board, perhaps calling Board members instead of emailing and to develop a snow removal plan for the 2008-09 season.

Line of credit-Currently the association has borrowed \$23,000. Jack directed CBL to pay off the line of credit as soon as possible (instead of re-building the operating reserves) in order to avoid interest charges.

Jack made the following:

Motion: Approve the financial report as submitted.
2nd: Theresa
Vote: Unanimous Approval

Financial Report-CBL updated the Board on receivables from owners of which there are three instances of yet uncollected special assessment monies that were due in June. CBL had no further additions to the financial report presented at the homeowner's meeting held earlier in the day.

Jack requested that CBL question the auditor regarding depreciating the recently completed \$2 million capital project.

Old Business

Fire Escapes-Grant updated the Board regarding the insurance claim from snow damage to a few windows and the fire escapes. The adjuster was not able to view the damage until mid-June due to the high snow piles remaining around the buildings. During the June meeting, the adjuster spoke with a welding company, Cowboy Steel, regarding possible solutions to the damaged fire escapes.

CBL was directed to find alternate solutions for the fire escapes, such as ladders and to speak with the fire marshal as to whether 2 escapes are even necessary for each building.

New Business

2008-09 Fiscal Budget Approval-The snow budget was calculated using historical averages. Theresa advised that a professional gardener would be caring for the grounds and that those fees would come out of the operating budget-approximately 2 hours every 2 weeks.

Jack made the following:

Motion: After consolidating the regular assessments into a single line, accept the budget as presented.

2nd: Alan

Vote: Unanimous Approval

Rules and Regulations-The Board discussed the situation existing currently with some owners not having liability or content insurance for their condo interiors. Damage originating from a problem in one unit (in particular, water has been a problem) is not always mitigated by the owner, often because there is not insurance. Further, even in the instance of proper insurance, the carrier may determine there is not negligence on the part of their policy holder, so damages to the neighboring unit is not covered. Chateaux sent a letter in February advising owners of the age of their fixtures and the frequency at which they are failing and replacement is necessary. That step, putting owners on notice, may attach negligence in future claims.

CBL presented the following edits to the existing rules and regulations:

Add to Condominium Interiors/Balconies-In the event of any situation causing damage to a neighboring condominium or association common element, management must be notified immediately in order that they may attest to proper mitigation of the affected property.

And the second addition to the same section-Owners must provide proof of liability and content insurance for the interior space of their condominium to the association, through the managing agent, annually or more frequently as changes in coverage are made to the homeowner's policy.

Jack made the following:

Motion: Approve the proposed amendment to the Rules/Regulations as presented.

2nd: Bill

Vote: Unanimous approval

Jack made the following:

Motion: Have CBL contact Travelers Insurance about a group or volume rate for individual (interior) policies with options for coverage on different size units and liability coverages and determine legality under Colorado law in terms of requiring insurance and/or requiring owners to use a particular carrier.

2nd: Bill

Vote: Unanimous approval

The Board noticed bikes on several decks over the past week and plastic chairs on some, too. The decks are inspected regularly, but short term rentals are

difficult to control. CBL will be more diligent in advised guests of the rules when they check in.

Declaration amendment-CBL advised the Board of the association attorney's recommendation to amend the Declaration in order to give Chateaux a superior lien status for the last six months of assessments as allowed by Colorado law. Currently, the association has put themselves behind every other lien holder. It is presumed that at the time the Declaration was written, mortgages were difficult to obtain, so this caveat was added as an enticement for lenders.

The Board directed CBL to work with Alan and the attorney on getting the lien section rewritten; then present to the Board for approval prior to sending to mortgagees and homeowners.

Dumpster light-Grant is looking into a solar light. The C building has no lighting in the entry, the photo cell may need to be moved. CB Electric is looking into the light issues.

Theresa offered to look into new fixtures for the entries as well as placement (height) of each.

CBL was directed to obtain surplus materials from the contractor: extra decking, siding, rock, paint, chimney grills and trim for future repairs. Theresa will get replacement lighting.

Entryways-The Board is getting a bid from Angelo to build ramps for every building, similar to the B building.

Building general maintenance items-CBL will attend to the following: fix the clubhouse closet door, fix E's damaged siding, get estimate on moving photo cells, insulate the wood storage closets, get estimate on timers for the common area water heaters, check vapor barriers in the crawl spaces, install sign on dumpster stating for Chateaux use only-furniture/construction dumping not allowed-add CBL's phone number, install screens by the laundry, look into repairing the phone boxes.

Paul asked that CBL spend more time checking for pool and parking lot poachers and rule enforcement.

Landscaping-Theresa expressed concern about the eroding slope to the east of the A and B buildings. After discussing the entire landscaping project, Alan made the following:

Motion: Have the landscaper finish the landscaping in front of A, D and E buildings, perform minor grading between the clubhouse and C, D and E buildings; Investigate

town's willingness to install the rock stream next spring in order to repair the damage from the erosion on the east side of the A and B buildings.

2nd: Jack
Vote: Unanimous approval

Cable-Cable reception is poor in many of the units. Jack asked CBL to determine where the problems exist and where they are originating from.

Capital project-After discussion Jack made the following:

Motion: Accept the capital project work as complete from Angelo Archeleta and write a letter indicating that the warranty period is now beginning.
2nd: Theresa
Vote: Unanimous approval

Five year capital maintenance plan-the Board reviewed the proposed 5 year capital maintenance plan and recommended that fire escapes be added.

Paul's resignation-Paul announced that his resignation from the Board of Director's will be effective at midnight tonight, August 2, 2008. The Board extended a sincere thank you to Paul for his numerous years of service and for seeing through the end of the renovation project. Paul expressed gratitude to his fellow Board members for their help and support.

The Board is interviewing homeowners who are interested in serving, and will appoint a member at a future date.

Election of Officers

Bill nominated Jack for President, Alan for Treasurer, Theresa for Secretary; the nomination was seconded by Theresa.

Paul called for a voice vote by acclamation to approve the suggested slate of directors:

Vote: Unanimous approval

Establish Date of Next Annual Board Meeting

The tentative date for the next semi-annual Board meeting is Saturday, January 24, 2008.

Executive Session

The Board held a short Executive Session

Follow-up Issues with CBL

The following items were discussed with CBL concerning areas needing attention:

- Need to ensure that there is better communication, especially on spending above budget and managing Time & Material Expenses
- Need better enforcement of Rules – Parking, Decks, Pool in particular.
- Need a detail Snow Removal Plan that is reviewed and agreed to by CBL, Board of Directors, and every snow plow driver working on the property
- Need to improve common area maintenance (lights, garbage)

Adjournment

The meeting was adjourned at approximately 4 p.m.

Accepted: _____ (date)