

**Eagle's Nest Condominium
Homeowner's Association Meeting
Monday, August 6, 2007, 9:00 AM MDT
Three Seasons Conference Room
Mt Crested Butte, Colorado**

Call to Order

The meeting was called to order by President Rick Morrison at 9:10 a.m.

Proof of Notice

Proof of notice was mailed June 20, 2007, 47 days prior to the meeting.

Roll Call/Establish Quorum:

<u>Owners Present in Person</u>	<u>Unit #</u>	<u>% of Ownership</u>
Carol Denny	4	2.38
John Turner	6	2.38
Dr. Charles and Linda Jennet	7	2.38
Bob Patton	9	2.38
Michael & Dorothy Loewenthal	12	2.38
Rick Morrison	15	2.38
Mr. & Mrs. Maltby	16	2.38
Roy Pitcock	18	2.38
Adam White, Jane Arledge	19	2.38
Polly Keller	23	2.38
Richard and Alcala Grivas	28	2.38
Susan Baber	31	2.38
Gary Garrett	32	2.38
Laura Gall	39	2.38
Ron Warner (time share weeks)	3527/3528/3529/3530	.19048
Jane Hamill (time share weeks)	3836/3837	.09524
Beth Jones and Bert Stewart	3511	.04762

<u>Owners Represented by Proxy</u>	<u>Unit #</u>	<u>% of Ownership</u>
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Rick Morrison proxy for:		
Eagles Nest HOA	A & B	4.76
Tracy Rojas and Julie Moore	30	2.38
Time Share Owners of weeks	3322/3504/3524/ 3533/3810/3812	.28572

Carol Denny proxy for:		
Randy & Rosemary Ewing	1	2.38
James & Judith Gibbs	2	2.38

Ron Warner proxy for:

Dr. Alfred W. Pinkerton, Jr.	5	2.38
Peter and Kelly D Smith	8	2.38
Rodney & Katherine McFarland	14	2.38
Norman & Vicki Weber	22	2.38
Jim & Lucinda Szalankiewicz	26	2.38
Time Share Owners of weeks 1703-1705/1707-1710/ 1714-1720/1729-1731/1733-1736/1739-1740/1742-1745/3303- 3306/3315-3321/3324/3326/3328-3330/3332-3336/3342/3344- 3345/3350-3352/3501-3502/3510/3512-3520/3525-3526/3536- 3537/3540-3547/3551-3552/3801/3806/3815-3820/3825- 3827/3829/3832/3839-3847/3852		4.619
Adam White proxy for: John & Katherine Powell	20	2.38
Bob Patton proxy for: Kevin & Monique Calhoun	10	2.38
Time Share Owner of week	3340	.04762
Rick Grivas proxy for: Dan and Laurie Goetz	27	2.38
James Brennan proxy for: Steves Brothers	26	2.38
Laura Gall proxy for: William Clark	40	2.38
Wanda Bearth proxy for: Time Share Owner of week	3310	.04762

Management Company Present:

Wanda Bearth
Grant Benton
Lee Friedman

A quorum was established, having 74.35% of the membership present or represented by proxy.

Reading and Approval of Past Minutes-August 7, 2006

Bob made the following:

Motion-Waive formal reading and accept the meeting minutes from the August 7, 2006 annual meeting as presented.

2nd-Ron

Vote-Unanimous

Election of Board of Managers (3 year terms)

Current Board:

Rick Morrison – President	(Term Expires '09)
Bob Patton – Vice President	(Term Expires '08)
Ron Warner – Secretary/Treasurer	(Term Expires '07)
Gary Garret	(Term Expires '09)
Jim Szalankiewicz	(Resigning, Term Expires '08)

Adam White was appointed to serve the remaining year of Jim Szalankiewicz's term. Ron Warner ran unopposed and was elected by the membership to serve another term for the Board of Managers.

Board of Managers, as of August 6, 2007:

Rick Morrison	(Term Expires '09)
Bob Patton	(Term Expires '08)
Ron Warner	(Term Expires '10)
Gary Garret	(Term Expires '09)
Adam White	(Term Expires '08)

Manager's report

Grant Benton reported the following:

Since the last homeowner's meeting (August 2006), Crested Butte Lodging & Property Management has been busy caring for Eagles Nest. In specific, the following items have been attended to:

1. Guard rails-the damaged rails were replaced or repaired. The new rails were primed per the bid, and the contractor painted at no extra charge.
2. Garage floors and doors-all of the garage floors have been caulked, the doors have had weather striping applied and they have been adjusted for a tight fit to the barrier. The bottom portion of most doors has been repainted. The owner of unit 18 asked that his floor be checked, he did not think that the caulking had been done. Linda (#7) questioned the steps that the board and CBL are undertaking to eliminate the water that is coming into the garage under the door.
3. Insurance-the insurance was amended, through a new carrier-Travelers, to provide replacement coverage at \$250 per sq. ft. This change was effective June 10. Homeowners were notified via an insert in the July statement.
4. Fireplace inspections-CBL learned that there are several repairs needed in many of the units. Rick lead a discussion regarding the repair or replacement of the fireplaces. Ron questioned repairing fireplaces if an owner is no longer burning wood. Grant stated that parts are limited and recommending completing repairs as soon as possible. Several owners encouraged the board to fix each of the

- fireplaces now. Beth suggested purchasing stock pile of parts and consider a resolution by the board for the repairs, given the lack of direction in the Declaration.
5. Landscaping-CBL is currently watering the areas between and alongside the buildings. We are “weed whacking” the perimeters of the property, but not mowing. CBL looks forward to input from the membership regarding the landscaping.
 6. Lower sauna area renovation-improvements have been made including tile repair to the shower, drywall repair, interior door repair/replacement and the addition of commercial quality mats.
 7. Upper hot tub/sauna renovation-completed just prior to the summer season, new hot tub, fence, new tile for floor and shower walls, new pan for shower to correct water drainage, new vanity, walls and lighting. CBL has asked for bids to rock or stucco the upper hot tub wall. Susan and Adam asked about the hot tub temperature, stating that it has been as hot as 106 degrees. Grant said it needs to be 104 degrees. James said a digital thermostat would cost about \$1000 to install for better temp control.
 8. Engineering-the Board authorized CBL to obtain an opinion from an engineering firm to recommend the most appropriate capital plan. Their report is expected shortly. The capital improvements, assessed for in June, will follow the advisement of Borne Engineering. In anticipation of this report CBL has acquired bids for some of the more obvious work (replacing electrical panels in the sauna areas, roof repair, and sewer repair).
 9. Hardie Plank failure-several months ago, the Board authorized CBL to retain an attorney on the association’s behalf. Two representatives from Hardie arrived to inspect the siding at the end of June. They toured the length of the property, front and back, and inspected siding that CBL has stored in the garage, which is also losing the stain. These representatives did not offer an opinion as to the cause or fault of the stain failing during the site inspection.
 10. Website-Eaglesnestcb.org was launched in January. Meeting minutes, financial information and the Association’s operating documents are now available online.
 11. Television-In trying to keep your HOA costs down CBL has asked DirecTV and Dish satellite to give us estimates for switching from cable to satellite TV.
 12. Hallway heaters-CBL is experimenting with new - lower amperage - common hallway heaters, as well as, installing new thermostats at the top of the stairs.
 13. Hallway lights-CBL is also looking into motion sensor light switches for the common hallways.
 14. Electrical upgrade-The Eagles Nest Board has directed CBL to ask for bids for replacing the electrical panels in both the upper and lower sauna areas. Locally we are experiencing a slow down in some construction fields which has created a bidding war for this particular job. Good for the HOA and your dues, bad for the contractors!
 15. Concrete aprons-CBL, your Board, the Eagles Nest attorney, and the company that installed the concrete aprons in front of the garages are in communication to resolve the problem of water being “directed” inside the garages via the possible incorrect slope of the aprons.

Other items:

1. Employee housing-CBL has housed employees in units A and B. These staff members have been responsible for cleaning the hallways, patrolling the lot for parking violators and cleaning around the dumpsters after bear attacks. Please introduce yourself as you encounter these staffers as they do take pride in what they consider to be their “turf”! The CBL staff will be more than happy to answer any questions, or assist you with your needs.
2. Dumpster-The town is now requiring new Bear Proof dumpsters. CBL ordered the new dumpsters and they will arrive in 3 to 4 weeks. The new dumpster will have sliding doors which will be easier to open and will be harder to put construction materials and furniture into..an unintended side benefit.
3. Bobcat-In September CBL will be doing minor repairs to the Bobcat before winter arrives.
4. Winterizing-Before winter the CBL maintenance crew will check under all crawl spaces for correct insulation, insulated pipes, opened vents, etc. Rick asked to have crawl spaces checked every quarter for leaks.
5. Internet-The wireless service was installed over the winter. Several owners present at the meeting complained of poor service and that the customer service was not helpful.

Financial Report

Wanda presented the following:

Balance Sheet At the end of June 2007, the association was holding \$202,216.56 in the checking and savings accounts. Accounts receivable (balances due from homeowners) is \$3,050.11.

The funds allocation for each account:

- Operating (\$21,608.33)
- Capital Fund \$222,992.98

The operating fund is a negative amount on the balance sheet. We will ask the Board to approve the reallocation of a portion of the Capital fund to correct this negative balance. This will typically be an annual procedure that we will perform following the audit.

Income Statement The income statement in this section shows unaudited totals as of June 30, 2007. As of June 30, 2007, the association is \$10,449 under budget on the operating budget. Items of significant variance are identified below. Totals are rounded.

Operating Income

Income is \$3,637 over budget. The \$1319 refund from the electric company was a big contributor; interest income and late fees accounts for \$1847; Miscellaneous income accounts for \$472. General ledger number 310 serves as a “clearing account” for work in non-contracted condos and the revenue from the internet service is posted to this account.

Expenses

585-Postage and Supplies

The certified mailing to each of the whole and timeshare owners, announcing the special assessments, is the reason for this line item over spend.

618-Water Damage

Over budget due to water damage claims resulting from the faucet failure in unit 12. The membership discussed the inconvenience of the location for the unit’s water shut off, which is in a closet in every other garage. Following the discussion, CBL was directed by Rick to unlock the water heater closets and label each hot water heater.

689-Hot Tub Labor

The association saved \$3400 on this line item due to the delay of the upper hot tub completion.

690-Chimney Cleaning

The \$2200 savings represents a delay in the chimney sweep. Management wishes to coordinate the sweep with the recommended repairs, and complete this fall.

708-Landscaping Labor

Over budget by \$1626 due to last summer’s massive clean up on the property that included the removal of “years old” construction debris.

740-Roof Snow Shoveling

Under budget by \$3641-it was a lighter snow year.

Capital Income/Expense

As of June 30, 2007, the capital income was \$200,000 (\$40,000 comprised of \$100 from each unit in capital reserves per month and \$160,000 special assessment). \$62,883 has been spent on capital projects including the remodel of the hot tub areas and garage work.

Old Business

Landscaping-The Board questioned the membership regarding the need and desire for landscaping. Susan Baber suggested low maintenance landscape rock. Rick agreed and offered that the Board would research Susan's suggestion.

Engineering report-Adam asked if the Borne report (the recently obtained Engineer Report) was an update or continuation of the last report. Rick answered that it is an update, but the Board needed an expert opinion regarding the stability of the retaining wall. Also, the Hardy planking justified an engineer's opinion. Bob added that there have been holes appearing in the upper parking lot, a new occurrence since the last engineer's report.

Capital Repair Plan

Rick advised the membership of the extreme cost related to the work recommended by Borne in their report. He queried the membership regarding Borne's recommendation for cold conversion roofs. The cost would be an estimated \$1/2 million to install and it will eliminate melting during the day, and refreezing during the night which has been the cause of the ice dams. Borne said the roof is causing many of the problems on the complex: stucco damage, concrete damage, siding damage. Rick stated that he is not sure of moving forward with the new roof given the extreme price without homeowner support. Dr. Jennet said the wall loads would be increased if a cold conversion roof was installed. Rick continued that the roof line may need to be extended but worried about rain and snow hitting the asphalt, causing damage to the asphalt. Mr. Jennet offered that the cold roofs do not work in New York, where it is warmer. James Brennan agreed that extending the roof line would control where the water and snow falls. Grant said that an extended roof would be safer for employees chipping ice, and would be easier to plow.

Rick continued with the project list-stucco would cost \$265,000 to redo all of the stucco vs. \$50,000 to patch. He questioned whether the association should patch the stucco now so it looks good, referencing Borne's opinion that the roof needs to be done first and that effort would take all of next summer. Several owners agreed, Mrs. Jennet said anyone trying to sell might like the building to look better.

Driveway repair-Bob commented that concrete is much more expensive and a greater expense if there are sewer problems.

Laura Gall suggested that the board prepare options for the membership to review.

Mrs. Grivas said that the association shouldn't be afraid to move forward, establish a plan, determine what needs to be done year one, year two, and move forward.

Bob summarized that the feedback seems to lean toward staying with what has worked for 30 years – install the same roof, but with an extended roof line.

Gary referenced Borne's suggestion regarding the use of bollards to protect the stucco from damage from cars and plows. Another option might be the installation of angle irons on each corner. There are 60 corners and the cost for materials would be \$550 each.

Rick suggested the following order for the project list: roof first, per opinion from the engineer, then repair the sewer, then the driveway, followed by work on the aprons, then stucco. Grant will have the roof sealed this fall, since the earliest a new roof would be installed is at least a year out, as several units have reported leaks during the recent heavy rains.

Susan said it seems necessary to patch the stucco now, given the order that Rick suggested for the projects.

Reconstruction Experts from Breckenridge was recommended by Bart for overseeing the project. This large company specializes in HOA work and has a mobile crew that can perform the work efficiently and quickly. Reconstruction Experts has worked with Borne. He will call the manager and put them in touch with CBL. Ron stated that he was comfortable with the reference from Bart and Beth, given their history with this company in their capacity as property manager for several associations in Colorado Springs.

Beth suggested that the association obtain a loan to fund the project and to increase dues to cover payments over the course of 5 years, as an example. Susan said she fears that the increased dues would end up being spent elsewhere and that she would prefer to see a special assessment.

Rick warned that the assessment may well be more than \$4000 next year, Gary furthered that point saying that \$4000 is not adequate, in looking at the extent of work recommended in the Borne report.

Rick asked if, in the event, a contractor is able to complete all of this next summer, would owners be willing to deal with the extensive construction? Beth said it would be staged. Several other owners agreed, stating that one or two years of extensive construction is preferable to several more years of lighter construction.

Mr. Matlby thanked the board and CBL for the work done thus far.

New Business

Auditor income resolution-

Mr. Maltby made the following:

Motion: to resolve that any excess of membership income exceeding the membership expenses for the fiscal year ending August 31, 2007, be applied against the subsequent year member assessments as provided by IRS Revenue Ruling 70-604.

2nd: Rick

Vote: Unanimous

Unscheduled Business/Members Open Forum

There were no additional items brought forth for discussion.

Establish Date of Next Meeting

The next meeting is scheduled to be held Monday, August 4, 2008, at 9 a.m. which is the 1st Monday after Arts Festival Weekend.

Rick adjourned meeting at 11:55 a.m. with no objections from the membership.

Approved: _____

By: _____

Ron Warner, Secretary/Treasurer