

**Eagle's Nest Townhouses
Of Mt. Crested Butte
Condominium Association
Board of Managers Quarterly Meeting
December 13, 2006**

Call to order

President, Rick Morrison, called the meeting to order at 9:07 a.m.

Roll Call/Establish Quorum

Board of Managers present via telephone:

Rick Morrison
Bob Patton
Ron Warner
Gary Garrett
Jim Szalankiewicz

A quorum was established, having all 5 managers present.

Management present:

Wanda Bearth
Kendall Collins
Grant Benton

Reading of the minutes

Gary made the following:

Motion: To waive reading of the minutes from the September 11, 2006 meeting and approve as presented.

2nd: Bob seconded the motion.

Vote: All in favor

Financial Report

Wanda presented the financial report orally.

Cash on hand \$67,097
Add revenues through end of fiscal year: \$212,342
Subtract outstanding bills for approved projects: \$20,250
Subtract regular Operating expenses: \$179,442
Equals: \$79,747

Subtract recommended reserve: \$50,000
Equals: \$29,747

The association would have \$29,747 to spend on projects, through the end of your fiscal year. The association has enough “float” and the cash flow is strong enough that you could spend much of this immediately-perhaps \$10,000. The forecast is modest because there may be things other than projects affecting the budget. For instance, CBL just received notice from Avalanche Roofing that their hourly rate is increasing from \$44 to \$60.

Manager’s Report

The manager’s report was presented orally by Grant Benton during the BOM meeting.

A. Toilet surveys - No one has contacted me not to check their toilets (this is a lower priority since the HOA buys water in blocks). As time permits we will check the toilets in each unit.

B. Hallway heaters/thermostats – We checked the heaters a couple of weeks ago and I check and lowered the thermostats again Friday (prior to this meeting). I have changed my stance on the hall heaters. I believe that there should be *non*-programmable (but digital) thermostats 1 to 2 feet above wall heaters in a locked box set at 60 degrees or so. EN should replace wall heaters only as needed. Any new heaters will be hard wired to the new thermostats. I would like to place a thermostat on the only hall that has conduit run on the *outside* part of the hall wall (hall 30?) to see if this is the correct path.

The BOM agreed to the installation of a thermostat, as a test, in this particular hallway.

C. Garage insulation – We have begun filling the cracks where the garage floor meets the garage wall. Rod wanted to use “front door” weather-stripping. I would like to use weather stripping that is made just for garage doors. I believe my original quote is still good. We have a maintenance person going to Home Depot in Montrose Tuesday (following the meeting) where they sell such a product. (It is not on Home Depot website or catalog). The price difference for buying such a product in Gunnison is approximately 80% more.

E. Snow Removal - We have tried to limit the hours given to removing ice from the garage doors. In November we tried to remove the ice as soon as it formed (which was an on going job). Yesterday we had a backhoe come in and remove all the ice near the doors. Gary sent Bare Ground Solution for removing the ice. We will try it and see how it works.

F. There were problems with the electrical in #16's hall lights. It was a simple fix for the electrician. Before he left he asked if I wanted him to install 2 motion sensor switches. I told him yes (since he was there and it would not cost another service call and the fact that there is a homeowner living there in unit #16 that could give us feedback). So far the feed back is positive. When I was checking the hall heaters Friday approximately 50% of the lights were on in the halls.

G. I ordered all the mats needed for the inside sauna room for the lower hot tub area and outdoor mats for the upper hot tub area (for safety purposes). The total cost of all mats: \$426.90. (The other mat option was at a cost of \$892.10).

H. EN #16 is having sheetrock repair/painting done in the unit. The unit is next to the upper hot tub. It seems that subcontractors had missed their mark and something went through and into EN 16 living room wall. I asked Angelo (siding) and Butch (Hot tub roof) what had happened, both do not know. The hole has been this way for a long time (6-12 months?). I am having Barb (painter) go in and fix the hole and paint. Secondly, the same unit has had water damage on his sheetrock from a roof leak sometime last year that is now fixed according to the owner, via Rod.

Rick authorized payment to Barb from HOA funds to pay for correcting the damage.

I. We had a boom-truck to change the light bulb at lower EN parking lot. I am looking into other options of how we might be able to change the bulbs in-house in the future.

J. The upper hot tub is complete except for stuccoing the concrete and metal on the roof. The BOM directed CBL to obtain 2 bids for remodeling the sauna and shower area. If that bid comes in less than \$15,000 CBL is directed to proceed this winter.

Old Business

Hardy Claim: Art Tresize, Attorney with Rizer, Fogo and Tresize (a Gunnison firm) joined the call to update the BOM regarding the Hardy Board stain failure. Hardy has not responded to correspondence sent by the law firm. Art clarified that Hardy sold the planking to a middle man, J&M Forrest Products (small operator out of Utah) who painted planking; planking was in turn sold to Houston Lumber. Hardy is claiming that the paint or stain used was not appropriate or not applied appropriately and that the installation process incorrect and will not honor warranty, citing breach of warranty.

Art recommended filing suit against all involved parties and per common practice to sue for as many theories of liability as can be constructed. Once suit is filed, the judge will likely recommend a mediation session with all involved parties: J&M Forrest, AC Houston and Hardy Planking. If mediation does not result in resolution the matter will move along in the court process which may result in a trial.

Bob asked to clarify the following: the BOM's primary objective is to replace or re-stain the planking with another material or application suitable for Crested Butte's demanding climate. The BOD expects the solution (replacement or refinishing) to come with the same 10 year warranty we understood we had with the current defective product.

Management will investigate options for other siding materials and return a bid to the BOM. Said bid may be useful for the purpose of determining damages. Bob clarified that the BOM will decide whether to replace or repair, following the evaluation of the product.

Bob made the following:

Motion: To proceed with filing suit as recommended by Art
2nd: Rick
Vote: All in favor

Stucco-The BOM reviewed bids for repairing all of the exterior stucco including the fireplace stacks. CBL has changed the snow removal method (hand shoveling away from building and shoveling the roofs more often to eliminate the ice resulting from the drip and large slides which damage the stucco). Grant will get pricing on steel barriers for the building corners to protect from damage due to vehicles. CBL will get rock veneer pricing as an option to the current stucco.

The BOM directed CBL to get estimates for the services of a civil engineer to review the driveways and provide recommendations and specifications regarding the surface material and thickness and the potential impact on the current infrastructure.

The BOM directed CBL to test paint several samples of the Hardy Planking.

Other Business

Insurance-Paul Sparrow with Centennial Insurance presented a proposal for insuring the property based on a \$250/sq. ft. price to rebuild.

CBL will re-measure the square footage in view of Terry Ewing's recollection that the square footage is 65,000 (CBL measured 57,000 and Farmer Insurance, the current carrier, is using 27,000 square feet).

Internet Access Update-High speed wireless will be installed by Amerispot prior to the Holidays.

Deck membranes-Avalanche Roofing's schedule did not permit the test 'fix' to a living room deck this fall. CBL has details of which decks are affected by this decking failure (obtained following a heavy rainstorm-CBL evaluated each garage ceiling for evidence of moisture). CBL will work with Avalanche Roofing to ensure placement on their spring schedule.

Adjournment

The meeting was adjourned by Rick at approximately 12:30 p.m. with no objections from the Board of Managers.

Approved: _____
Date

By: _____
Ron Warner
Secretary