

**WEST ELK CONDOMINIUM ASSOCIATION
 HOMEOWNERS' MEETING AT
 MT. CRESTED BUTTE, COLORADO
 February 27, 2009, AT 4:00PM**

MEMBERS PRESENT: Ed Arnold
 Patricia Bittle
 Craig Caulkin (by phone)
 Suzie Dexter
 John Drogos (by phone)
 Bart Hindley (by phone)
 Helene Richards Brown (by phone)
 Jim & Carole Williamson

MANAGEMENT COMPANY
 PRESENT: Danny Myers
 Eli Haine
 Toni Wilson

Danny called the meeting to order at 4:10 PM. It was established that a quorum of homeowners was represented at the meeting; 100% of the homeowners were either present or represented by proxy. It was also noted that notice of the meeting was given 1 month ago.

UNIT	OWNER	WILL ATTEND OR PROXY TO
1	Helene Richards Brown	Attended (by phone)
2	Kay Braziel	Proxy to Suzie Dexter (#6)
3	Clement Anderson	Proxy to Suzie Dexter (#6)
4	Allen Wade	Proxy to Ed Arnold (#9)
5	Patricia Bittle	Attended
6	Suzie Dexter	Attended
7	John & Kathy Drogos	Attended (by phone)
8	Jim & Carole Williamson	Attended
9	Ed Arnold	Attended
10	Barton Hindley	Attended (by phone)
11	Craig Caukin	Attended (by phone)

MOTION by JimWilliamson to wave the reading of the July 11, 2008 minutes and approve. Second by Ed. Unanimous approval.

FINANCIAL REPORT

Balance Sheet

At year end (12/31/08), the balance sheet reflected total assets of \$22,614.78. Cash on hand totaled \$19,164.62; accounts receivable totaled 1,093.43; and pre-paid expenses (insurance) were \$2,356.73. Total Liabilities were \$13,354.61, \$8,825 of which is pre-paid dues from several owners who have paid dues in advance. Accounts payable totaled \$4,529.61. The restricted fund balance was \$7,123.49 and the Operating Fund Balance was \$2,136.68.

Income Statement

At year end (12/31/08), the income statement reflects net margin of (\$253.53). Operating expenses totaled \$53,955.76; \$1,645.92 under budget. Revenue exceeded budget by \$3,281.23, primarily due to an insurance claim to repair snow slide damage.

Variances

Budget Variances over \$1,000 include:

Contract Labor - \$3,358 over budget

Due to repair from a snow slide. Expense was offset by Miscellaneous Income in the form of an insurance payment.

Electric – \$1,668 under budget.

Closing of the hot tub resulted in greater savings than anticipated.

Snow Removal - \$1,750 under budget

The snow removal budget was increased this year due to anticipated snow levels (which we did see last January - March. CBMR Properties (with assistance from Mother Nature) was able to keep costs below the anticipated level, resulting in savings.

2009 BUDGET REPORT

Operating Revenues

Budgeted revenues total \$50,796, \$46,596 of which is homeowner assessments. This represents no increase from 2008 assessments.

Operating Expenses

Budgeted expenses will total \$51,627, a decrease of \$3,800 (7%) from 2008 budgeted expenses. Last year, we budgeted at a \$5,000 loss (expenses over revenue) because of a healthy surplus from the prior year. The surplus remains because expenses were kept in check and the loss did not occur. Notable expense changes year to year are listed below.

The 2009 Budget anticipates an \$800 loss, though a surplus remains from the past several years.

2009 Notable Budget increases/decreases from 2008:

Common Area Cleaning \$700 decrease to \$100

Hot Tub room now should require just one \$50 cleaning every 6 months to keep tidy.

Contract Labor \$750 decrease to \$0

Contract Labor is for known service contracts not included in their own line (e.g. Chimney Cleaning); we have none currently.

Electric \$ 2,700 decrease

Substantially less electricity use experienced now that the hot tub room is closed.

Insurance \$ 288 increase

Budget a 6% increase, effective June 1, 2009.

Hot Tub Labor/Supplies Eliminated; hot tub closed.

Landscaping \$ 300 increase

Decrease from last year increased back to historical. Decrease in 2008 was due to excessive snow and landscaping anticipated to begin later in 2008 because of the snow.

Management Fee \$ 0 increase

5% biennial increase occurred last year

Miscellaneous Expense \$800 increase

Miscellaneous Expense is for random, unknown needs. This is funded at approximately \$100 per month.

Water and Sanitation \$ 0 increase

Typical and historic 4% increase over 2008 rates will not be seen this year; Mt CB Water and San has decided to keep rates flat.

MOTION by Jim to approve the financial report and 2009 Budget. Second by Pat. Unanimous Approval.

OLD BUSINESS

Retaining wall

Rocking KD Construction quoted \$18,000 to install a decorative concrete stack block wall a foot beyond the current wall. The space between would be filled with gravel for drainage. The unknown is still whether the electrical box can be moved and at what cost. The owners approved of the project for the summer, pending the cost of the electrical box move. An assessment will be made to all owners this summer to pay for the wall.

Hot Tub Building

The Association covenants state that if the town no longer requires West Elk to provide affordable housing, the building would revert to ownership by the developer. Because of this, it appears selling the building on the open market would not be an option. It also appears that expanding the studio apartment into the lower level would not bring enough additional revenue to the association to justify the cost. It was decided that getting a legal opinion on the ownership would be wise before any decisions are made regarding upgrading or selling the space.

ELECTION OF OFFICERS

The terms of Suzie, Ed and Craig were up on January 1st. Each agreed to serve another 3-year term. There being no additional nominations, MOTION to elect the 3 by acclamation. Seconded and unanimously approved.

NEW BUSINESS

Helene (#1) informed the owners that the bank would be foreclosing on her loan and likely taking ownership of her property.

Painting will occur in needed areas on the building this year, likely with funds already available in the bank.

Ed shared several areas of maintenance concern that will be followed up on by Eli.

Next Meeting Date

It was decided to hold the next meeting Thursday, July 9th, at 4:00pm MDT .

ADJOURNMENT

There being no further business, the meeting was adjourned at 5:15 PM.

Respectfully submitted,

Danny Myers
General Manager

Approved by,

Suzie Dexter
West Elk Association President