

OWL CREEK HOMES ASSOCIATION, INC
ANNUAL OWNERS MEETING

December 29, 2006

1. CALL TO ORDER AND CERTIFYING PROXIES

Hank Anderson, President of the Association, called the meeting to order at 4:15 PM at 102 Burnt Mountain Drive in Snowmass Village, Colorado. Board members Connie Hodson, Al Lattof, Lee Wagman, Hank Anderson, and Eugene Schmitt were present. Barton Craig and Michael George of Snowmass Lodging Company were also present.

<u>Members Present</u>	<u>Unit #</u>
Hank Anderson	2
Gene Schmitt	24
Connie and Tom Hodson	28
Al Lattof	17
Lee Wagman	30
Doug Weber	4
David and Jennifer Barnes	31

<u>Members Present by Proxy</u>	<u>Unit #</u>
Exclusive Resorts	1
Rapaport	3
Morgan	6
Fluxman	7
Bleznak	8
Bider	9
Freytag	10
Zimbrick	11
Andrews	12
Oran	13
Gorry	15
Romanski	16
Ritter	18
Davis	19
Ross	20
Judis	21
Malloy	22
Rhodes	25
Chiu-Schaepe	26
Resch	29

TOTAL	(27/31=87 %)
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Verification of the signed proxies established that the required quorum of 33% of Owl Creek owners was achieved.

2. PROOF OF NOTICE OF MEETING

Mr. Craig presented proof of notice of the meeting.

3. READING AND/OR DISPOSAL OF UNAPPROVED MINUTES

Mr. Wagman made a motion to waive reading the minutes of the Annual Meeting of December 29, 2005. Mr. s. Hodson seconded, and the motion was approved by voice vote. Mr. Wagman made a motion to approve the minutes of the Annual Meeting of December 29, 2005, as written. Mrs. Hodson seconded, and the motion passed.

4. REPORT OF OFFICERS

Mr. Craig noted that the Association currently has approximately \$201,955 in its Reserve Fund, which is held in bank accounts and short-term Certificates of Deposit at Alpine and Vectra Banks.

The Association expects to end the year with an operating deficit of approximately \$3,572. The exact amount of the operating fund deficit will not be known until all 2006 expenses are paid in late January. The 2007 assessment will be adjusted to reflect the actual 2006 year-end operating fund balance, once that number is known.

5. ELECTION OF DIRECTORS

One three-year term is up for re-election on the Board. Mr. Anderson's three-year term is up this year. Also, Mr. Rich resigned his Board position after selling his home. His position is not required to be filled and it is up to the discretion of the membership. The Board currently has 5 members and can have anywhere from 3 to 7 members.

Mr. Lattof nominated Mr. Barnes to serve on the Board. Mrs. Hodson seconded. Mrs. Hodson nominated Mr. Anderson to serve another term as Board President. Mr. Wagman seconded. Each nomination was unanimously approved.

6. UNFINISHED BUSINESS

2006 Budget Review and Ratification

Mr. Craig presented the homeowners with the 2007 budget proposal. Mr. Craig asked any owners present if they had any questions or comments on the proposed budget. Mr. Schmitt made a motion to approve the budget as presented. Mrs. Hodson seconded and after a vote the budget was approved as presented.

Proposed Declaration amendment regarding Fractional Ownership and Use

Mr. Craig presented the background on this issue and the current level of support for a Declaration change. Per a decision at the 2005 Annual Meeting the Homeowners Association had retained an attorney to draft an amendment to the HOA Declaration to prohibit fractional ownership and private club-type use of Owl Creek Homes. Mr. Craig had received a total of 27 votes, including proxies and members present, with a vote of 15 votes in favor of the amendment and 12 votes against the amendment. By Phase, the vote was 1 NO vote and 7 YES votes and 2 abstained, in Phase 3, and 10 NO votes and 10 YES votes in Phase 1 and 2. Since by Colorado law a vote is 67% is required to change the Declaration, the amendment was defeated.

Mr. Barnes is a homeowner that leases his home to Exclusive Resorts and has also rented it in a more traditional method. He explained the Club membership process, from annual dues to the buy-in cost, and described the club member profile. He made the point that the club member profile was of a higher quality than normal renters. He also explained that higher occupancy rates, whether from Club or rental use, provides more tourism dollars which benefit Snowmass Village.

Mr. Schmitt commented that the Club profile described does not necessarily fit all tenants. He mentioned that outside management companies not under the purview of the Association management company was a concern. Mr. Anderson commented that any group would have its

good members and bad members. Mr. Weber commented that he did not support giving up any fee simple ownership rights. Mr. Wagman then commented that when he bought his unit his realtor advised him that few, if any, homeowners would be expected to rent. In his opinion any type of fractional ownership has a negative impact on property values. He pointed out that Deerbrook, when it entered the market was the highest quality product available. In his opinion, Deerbrook is now in very bad shape primarily through misuse of the property by fractional ownership. Mrs. Hodson also commented that fostering a sense of community by individual owners, rather than by a large group of fractional owners, was also a goal of the proposed amendment. Mr. Weber commented that since currently most of the homes are vacant most of the time it is questionable that restricting usage would foster a sense of community. Mr. Barnes commented that he believed the facts do not support any of the positions against fractional ownership. Mr. Wagman disagreed.

Mr. Barnes made a motion to call for a vote on the issue. Mr. Weber seconded. Lattof, Hodson, Anderson, Schmitt and Wagman and 10 proxies signed to the Board President voted in favor of the amendment. Weber and Barnes and 10 proxies made out to Mr. Weber voted against the amendment. The vote was 15 for and 12 against. Since a 67% majority is required, the amendment was defeated.

Mr. Wagman asked that Snowmass Lodging Company propose a list of qualified management companies to the Board. Mr. Barnes asked how a new entity could get on the list. Mr. Lattof advised that one criterion is to establish that the management candidate knows and understand the rules of the HOA and is willing and able to enforce them. Mr. Wagman commented that prior experience and references would be important criteria to consider. Mrs. Hodson commented that the Board could use its best judgment to make a decision on behalf of the members. All companies that currently manage at Owl Creek Homes are considered approved. Snowmass Lodging Company will create a list of current and potential local management companies and will circulate to the Board.

Allocation of Private ski lift expenses

At the last Meeting it was decided to send a letter to homeowners in Phase 1+2 that may use the private Poma platter to ask them to contribute to the costs. The letter was not sent because it was decided that the Owl Creek HOA was not in a position to require these homeowners to contribute, as the Declaration already specifies who is required to contribute. It was decided if the letter was only going to ask for a voluntary contribution it was not worth sending. The floor was open to discussion on this issue.

Mr. Wagman commented that the Aspen Ski Company instructors use the hill and lift to teach snowboarders. Mr. Lattof noted that there are really only three units in Phase 1+2 that can make use of the lift. Mr. Lattof advised that he had checked with the Ski Company about the use of the lift and was told that the lift was open to the public. Mr. Wagman asked if a special lift ticket could be required for use of the lift. Mr. Craig advised that as majority owner of the lift, the Pines HOA controls this type of decision and had indicated they are not in favor of requiring their membership to present a special ticket to use this lift. Mr. Schmitt commented that he would speak to the President of the Pines HOA to see if they would consider a lift ticket for that lift.

Mr. Wagman commented that he suspects that the snowboarders using the lift for lessons, rather than the Owl Creek Homeowners cause the maintenance problems. Mr., Wagman suggests that the management company contact the Snowmass Ski School to request they no longer use this private lift.

7. New Business

Poor quality of cell phone service at Owl Creek

On behalf of Mr. Schlesinger, Mr. Craig raised the issue of poor cell service at Owl Creek. Mr. Anderson advised that subscribers could give their address to their provider and ask that the cell towers re-focus the signal. He has received better cell service at his home in Louisiana as the result of such a request.

Snow Removal

Mr. Barnes asked about snow removal, as in past years he has had difficulty getting out of his driveway because of late plowing. Mr. Craig advised that the HOA had changed snow removal vendors this season but that generally the plan for snow removal is do plow the streets first, then come back and plow each driveway. Mr. Barnes homes is at one end of the complex and is generally done last. Some effort will be made to vary the order of driveway plowing. Mr. George advised that the minutes reflect that owners who have early flights to catch after snow falls can contact Mr. Craig to request the need for early driveway plowing.

2007 Grounds project detail

Mr. Lattof asked if there was any plan to add flowers similar to each entryway flowerbed around the address pedestals as part of the project to remove old wild flower sod and replace it with grass. It was decided that two or three such mini-beds would be planted next spring so that if it is deemed attractive and cost efficient more could be planted in future years.

Mr. Schmitt expressed his appreciation for Mr. Anderson's continued service as Board President. Mrs. Hodson thanked Mr. Craig for his efforts to inform the membership of the issues surrounding proposed amendment so it could come to a vote at the meeting.

8. ADJOURNMENT

Mr. Schmitt moved for adjournment, Mrs. Hodson seconded, and the motion was carried. The meeting was adjourned at 6:30 P.M.

Respectfully submitted,

Eugene Schmitt, Secretary