

OWL CREEK HOMEOWNERS ASSOCIATION

MINUTES OF THE NOVEMBER 23, 2010, BOARD OF DIRECTORS MEETING

I. Call to Order

Mr. Anderson called the Meeting called to order at 10:04 am via a conference telephone call. Board members present via conference call were Hank Anderson, Al Lattof, David Barnes, Scott Schlesinger, and Lee Wagman. Michael George and Barton Craig of Snowmass Lodging Company were also present.

Approval of Minutes of November 17, 2009

Mr. Schlesinger made a motion to waive the reading of the minutes of the November 17th, 2009, Board of Directors meeting. Mr. Anderson seconded, and the motion passed. Mr. Schlesinger made a motion to approve the minutes, as written, and Mr. Anderson seconded. The motion passed.

III. Old Business

A. Allocation of budget surplus

Based on operations through the first three quarters management expects to end the year with a budget surplus of approximately \$17,259. This surplus is mostly from expected savings in insurance costs and grounds.

Although previous instructions from the Board direct any surplus to the following year budget, the 2011 Budget, as presented, proposes that this surplus be transferred to the Reserve Fund. The HOA reduced the usual Reserve Fund contribution by \$20,000 at the beginning of the 2010 year by refunding all previously collected Initiation fees. This use of the surplus would restore the Reserve Fund contribution to near its original amount, while still refunding the initiation fees.

Mr. Anderson made a motion to allocate any surplus from the 2010 budget to the Reserve Fund. Mr. Schlesinger seconded. After a voice vote the motion passed.

IV. New Business

A. Assessment 2011

Mr. Craig provided a summary of the 2011 Budget proposal and noted that the assessment total by the HOA between 2010 and 2011 has increased from \$644,998 to \$648,157, an increase of less than 1%. Most areas of the budget are either flat or are incurring small inflationary increases, with the exception of the Painting budget, which has decreased by

\$31,155, because painting in 2011 is proposed to only be done on the 10 Phase 3 homes. Overall, since the operating fund costs year-over-year are decreasing, the proposed increase to the assessments in the budget is a function of transferring the carry-forward surplus from the operating fund to the reserve fund.

Mr. Anderson made a motion to approve the budget as presented. Mr. Schlesinger seconded, and the motion passed.

B. Budget & Financial Review 2010

Management projects that the Association will finish fiscal 2010 with a surplus of \$17,259. The HOA expects to end the year with \$256,100 in the Reserve Fund.

C. Schedule & Agenda for Annual Owners Meeting

The annual meeting is proposed for December 28, 2010, at 3:30pm. The meeting will be held at either The Enclave or Woodrun Place, depending upon availability of either meeting room. Directions will be provided in the Notice of the Meeting to the members.

D. Other New Business

Responsible Governance Policies-The State of Colorado has recently passed several laws which regulate HOA Rules and Policies. Management's interpretation is that these laws require that the HOA have eight written policies, as well as several written rules, available for member review. There is a list of 14 Responsible Governance Policies that management recommends the HOA codify into its rules at the Annual Homeowners Meeting. Most of these are items that are already covered in the HOA Declaration and Bylaws, but some of them are not. Mr. Craig will first circulate the policies draft to the Board members. If none of the Board members have any questions and/or recommended changes, then he will circulate the draft to the rest of the members prior to the annual meeting.

Independent Reserve Study - One of the policies that is required by the new law is a written rationale detailing the Reserve Fund study. The law does not require an independent study. However, management has obtained a bid by a qualified company to provide a study for a detailed analysis of the Owl Creek Homes Reserve Funding requirement. The cost is \$3,750-\$4,750, depending on what level of detail we request. It could be completed in the spring/summer of 2011. Mr. Wagman requested that Mr. Craig try to obtain a sample work product from the firm that provided the study bid – hopefully, one of similar size, age, and physical plant replacement cost needs.

Mr. Lattof asked if the association should consider alternative offsets for the tiered, electric

rate structure that is being instituted by the local provider, Holy Cross. The other Board members agreed that this would be good policy. Mr. Lattof suggested the HOA look into an alternative source of electricity that might limit the impact of a possible Holy Cross tiered rate structure. Mr. Lattof will assist Mr. Craig in gathering more information to be presented at the December 2010 Annual meeting.

Mr. Wagman asked about common internet services. Mr. Craig replied that the last time he investigated the options, the potential break-even projection was 5-7 years out. Because the equipment tends to become obsolete within this time frame, the association did not pursue this concept. Mr. Craig will check with the Comcast provider to find out if the process has become more economical in the interim since his last investigation.

V. Adjournment

Mr. Anderson made a motion for adjournment. Mr. Wagman seconded, and the motion was passed. The meeting was adjourned at 10:27 AM.

Submitted by

Mr. Al Lattof, Acting Secretary