

OWL CREEK HOMES ASSOCIATION, INC
ANNUAL OWNERS MEETING

December 29, 2010

1. CALL TO ORDER AND CERTIFYING PROXIES

Hank Anderson, President of the Association, called the meeting to order at 3:56 PM at The Enclave Condominium conference room at 360 Wood Road in Snowmass Village, Colorado. Board members Hank Anderson, Gene Schmitt, Lee Wagman, Connie Hodson, Scott Schlesinger and Al Lattof, David Barnes (via telephone) were present. Barton Craig and Michael George of Snowmass Lodging Company were also present.

Members Present	Unit #
Hank Anderson	2
Cliff and Jean Findeiss	7
Sharon and Z Divjak	11
Al and Janet Lattof	17
Gene Schmitt	24
Connie and Tom Hodson	28
Scott Schlesinger	27
Lee Wagman	30
David Barnes (via telephone)	31

Members Present by Proxy	Unit #
Les Bider	9
Harry Andrews	12
Anne Gorry	15
Richard Romanski	16
Brian Hastings	22
Chris Schaepe	26

TOTAL	(15/31=48%)
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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, 2009. Mr Anderson seconded, and the motion was approved by voice vote. Mrs. Findeiss made a motion to approve the minutes of the Annual Meeting of December 29, 2009, as written. Mr. Wagman seconded, and the motion passed.

4. REPORT OF OFFICERS

Mr. Craig noted that the Association expects to end the year with approximately \$256,670 in its Reserve Fund, which is held in bank accounts and short-term Certificates of Deposit at Alpine and Vectra Banks.

Mr. Craig recommended that the reserve fund charge to refund Initiation fees of approximately \$20,000 (less interest income collected on the Reserve Fund deposits) be allocated to the roof replacement line, reducing it from \$70,108 to approximately \$50,556. Mr. Findeiss made a motion to approve this action, and Mrs. Hodson seconded. The motion passed by voice vote.

The Association expects to end the year with an operating surplus of \$17,260, primarily from savings in insurance, utilities, and grounds.

The exact amount of the operating fund surplus will not be known until all 2010 expenses are paid in late January. The budget has been prepared with the assumption that the operating surplus will be transferred to the Reserve Fund after external accounting review, as the 2010 contribution was reduced \$20,000 from the amounts reserved in recent prior years because of the refund of the Initiation fees. The 2011 Budget assumes a prior year Operating Fund balance of \$0.

There are currently 3 owners that are behind on assessment payments: 1, 13, and 23. Mr. Craig advised that the owner of unit 1 has cleared up an address issue with management, and payment should be forthcoming on the 1 late installment payment. The owner of the unit 13 has been making periodic payments, and is currently about 1 ½ installment payments behind. The owner of unit 23 is approximately 2 installment payments behind. Both units 13 and 23 are listed for sale.

Mr. Lattoff recommended that management begin sending assessment receivable statements that remain unpaid for 60 days or more with a certified letter. If bill remain unpaid for 90 days, then management will contact an attorney to file a lien and take over the collection process. Mr. Schlesinger requested that management also contact delinquent owners at 30 day intervals to try to find out what their plans are to cure delinquencies. Management will copy the Board on all correspondence regarding collection attempts for all delinquent assessments.

Mr. Lattof made a motion for management to have an attorney review the collection policies in the draft Governance Policies and the Association Declaration to ensure both accuracy and compliance with current law. Mr. Wagman seconded, and the motion passed. Mr. George recommended that the association consider using John Neiley, as that local attorney has been helpful to Woodrun Place in recently performing the same tasks.

5. ELECTION OF DIRECTORS

One Board positions is up for re-election on the Board, as Mrs. Hodson's term expires this year. The Board currently has 7 members and can have anywhere from 3 to 7 members.

Mr. Schmitt made a motion to nominate Mrs. Hodson for another term. Mr. Schlesinger seconded and after a voice vote, and Mrs. Hodson was elected, unopposed, to a term.

6. UNFINISHED BUSINESS

2011 Budget Review and Ratification

Mr. Craig presented the homeowners with the 2011 budget proposal. Mr. Craig asked any owners present if they had any questions or comments on the proposed budget. Mr. Lattof made a motion to approve the budget as presented. Mr. Anderson seconded, and the budget was approved as presented by a voice vote.

7. New Business

Real Estate Market update by BJ Adams & Company (BJA)

Larry Jones of BJA advised that the number of transactions is up 26%, and dollar volume is up 14%, year-over-year. The market has recently had some distressed sales, including a couple of properties at Owl Creek.

He thinks that there will continue to be some distressed sales in the near-term, and those types of transactions will influence the market.

He also believes that many prospective buyers are waiting for the issues at Base Village to be resolved before they decide when, and if, to buy.

Mr. Jones discussed general market issues and his opinion of the Owl Creek properties value and positioning, versus competing properties in the local market.

Adoption of Required Governance Policies

After lengthy discussion, Mr. Lattof made a motion to adopt the governance policies as presented, with an amendment to change to note that an independent Reserve Fund Study is to be performed in calendar 2011. Mr. Anderson seconded, and the motion passed by voice vote.

Presentation from Colorado Energy Collective by David Weidinmyer

Mr. Weidinmyer joined the meeting at approximately 5:15 pm and made a presentation to the members about opportunities to purchase into an off-site solar farm in Rifle, CO. He explained the members may buy individual panels at a cost net of any rebates of \$740, and that his firm projects a return of approximately 6%. The panels are warrantied for 40 years. Members currently purchase electricity at a unit cost of \$0.08, and can sell electricity generated by the solar system under contract back to the utility company for \$0.11 per unit. Interested members may contact Mr. Weidinmyer at easycleanenergy.com.

8. ADJOURNMENT

Mr. Lattof moved for adjournment at 5:30 PM. Mr. Schmitt seconded, and the motion was carried. The meeting was adjourned at 5:30 P.M.

Respectfully submitted,

Eugene Schmitt, Secretary