

OWL CREEK HOMEOWNERS ASSOCIATION

MINUTES OF THE February 5th, 2019, BOARD OF DIRECTORS MEETING

I. Call to Order

Mr. Anderson, via conference call called the Meeting called to order at 10:07 pm with Board members, Richard Romanski, Connie Hodson, Z Divjak, and Gene Schmitt were also in attendance. Harry Andrews sent a proxy. Barton Craig of Snowmass Lodging Company was also present. Mr. Hodson was also in attendance.

II. Approval of Minutes

Mr. Schmitt made a motion to waive the reading of the minutes of the December 3rd, 2018, Board of Directors meeting and the 2018 Annual Homeowners Meeting. Mr. Anderson seconded, and the motion passed. Mrs. Hodson made a motion to approve the minutes, as written, and Mr. Richard Romanski. The motion passed via voice vote.

III. Old Business

All historical issues discussed at this meeting were documented under the New Business section for expedience.

IV. New Business

Special Projects Resolution

Mr. Craig noted that the HOA received 28 of 31 ballots for the Special Projects that were due on February 1st. All of the votes were in favor of the projects. Three homeowners did not send in ballots, nor have any comment. That represents a 100% approval rate and a 90% participation rate.

Mr. Romanski asked Mr. Hodson to address the finance issues and estimated costs of the Special Projects. All of these are conservative estimates which include some contingency based on the most current information held by the HOA. Railing Replacement is estimated at \$15,000 per home. Full Exterior Painting with elastomeric materials for EIFS is estimated at \$11,500 per home. EIFS repair costs are unknown but estimated at \$4000 per home. Roof replacement is estimated at \$75,000 on the high end per home. Project management, which includes architectural fees, preparation of specification and bid packages, engineering fees, permit fees, project oversight and administration. Also included is the estimates is a contingency of 10%. This brings the total estimated cost for all Projects at \$120,000 per home.

The existing balance of the Reserve Fund is approximately \$30,000 per home. The Board's plan is to fund the projects completely through the Special Assessment, and not use funds from the existing Reserve Fund. If at the end of the Special Project there is a substantial surplus the Board may decide to refund some of that surplus. If there are

significant unforeseen costs, then the HOA could possibly use some Reserve Fund allocations to augment the Special Assessment, but that is not planned.

Mr. Schmitt made a motion that the Owl Creek Homes Association create a Special Assessment of the amount of \$ 120,000 for each Owl Creek townhome for the purpose of the following projects: Roof Replacement, deck and porch railing replacement, exterior painting, and EIFS study and repairs. This special assessment shall be payable in two installments of \$ 60,000 each. First installment to be billed on 3/31/2019 (payment due on 5/1/2019) and the second installment to be billed on 9/1/2019 (payment due on 10/1/2019). Any payments that are not received by the HOA on their due dates will be subject to the HOA interest and collections policy. Mr. Anderson seconded the motion, and was passed unanimously via voice vote.

The Board agreed to have an attorney write and review the Notice of Special Assessment, which will be reviewed by the Board before being sent to homeowners. By March 10th, the Board will have a letter drafted by the attorney for the formal Notice of Assessment, which will be sent to all homeowners to be received by no later than March 31, 2019

Mr. Hodson suggested that the Board send an email to all homeowners notifying them of the vote of the Board at this meeting of the Special Assessment, with the amount and installment dates. This email will not be a formal notice, but simply an accommodation to give homeowners as much time as possible to prepare for the special assessment. Mr. Craig and Mrs. Hodson will draft this email, with the goal of having it reviewed by the Board and sent to all homeowners by no later than February 12th.

Mr. Romanski will draft a letter to all homeowners no later than Feb. 15th, 2019 describing the process for color choice review and comments.

The HOA will set up set accounting codes for each project to track costs (deck railings, EIFS, painting and roofs). The HOA will set up a separate bank account with Alpine Bank to hold Special Assessment funds.

Mr. Hodson agreed head up a financial review committee and to provide the HOA oversight function to periodically review financial allocations, expenditures and balances throughout the new project implementation.

Mr. Romanski will reach out to other Board members and homeowners to create a construction review and advisory committee to provide the HOA construction and project management oversight function.

Mr. Romanski is in the process of creating a specification for project management and for project administration. Project management is the day to day on-site oversight of the construction work and progress as well as quick resolution of issues and problems to conform with various codes, specifications and statements of work, etc. Project administration is the approval of payments, review of invoices, certification of

completion, withholding payments for non-performance, etc. We expect to hire Poss to provide these functions pending approval of their proposals.

Proposal to Secure a Line of Credit

Although not anticipated, the Board discussed the need to prepare the HOA for any unforeseen cash flow requirements during the Special Projects, either delinquent payments by members or unexpected expenses in the scope of work or simply cash flow requirements. Homeowners Associations commonly open a Line of Credit (LOC) prior to large projects to fill this need. The cost of setting up a LOC with Alpine Bank is approximately \$3,500 for a \$500,000 LOC, which is comprised of a credit check, appraisal, document review and document filings. Acknowledging that the HOA will bill 50% of the assessment prior to any substantial funds being required, Mr. Craig noted that the HOA could gather the documentation needed by Alpine Bank, so that at some point in the future if an LOC is necessary, the HOA could obtain it in a few to several weeks. This would eliminate paying the fee to Alpine Bank until it is felt that a LOC would actually be needed. After discussion, the Board decided to not formally apply for a LOC at this time.

New Projects Review: EIFS, Painting, Railings, Roofs, etc.

EIFS analysis is scheduled to start with a local engineering company on April 3rd. It is expected to take two weeks, after which a report will be issued. The report will dictate the scope of EIFS repairs that are undertaken and their timeframe cannot yet be estimated. Painting cannot be undertaken until after any EIFS repairs are completed.

The bid for roof replacements are currently set to include the same heat tape design that presently exists but with new heat tape. But the HOA is also looking into heat edge as an alternate melting system, pending their estimated cost.

Color Choices and the preparation of color mock-ups.

Mr. Romanski noted that mock ups on gypsum boards will be painted with various color schemes that will be affixed to the existing stucco in close proximity to stone and railings of an Owl Creek Home. The homeowner of 712 Burnt Mountain Drive has volunteered their home for this mock up. Mr. Romanski has been working with a painter to create this and plan to have it up for review by some time in March.

V. Adjournment

Mrs. Hodson made a motion for adjournment. Mr. Schmitt seconded, and the motion was passed. The meeting was adjourned at 11:22 AM.

Submitted by,



Mrs. Hodson, Secretary/Treasurer