

OWL CREEK HOMEOWNERS ASSOCIATION

MINUTES OF THE December 2nd, 2020, BOARD OF DIRECTORS MEETING

I. Call to Order

Mr. Romanski, via conference call called the Meeting to order at 10:01 am with Board members Richard Romanski, Hank Anderson, Scott Schlesinger, Kay Hanafin, Z. Divjak, Gene Schmitt and Connie Hodson were in attendance. Barton Craig and Michael George of Snowmass Lodging Company were also present. HOA attorney Jody Edwards was also present.

II. Approval of Minutes

Mr. Romanski made a motion to waive the reading of the minutes of the October 23rd, 2020, Board of Directors meeting and approve them as written. Mrs. Hodson seconded, and the motion passed via voice vote.

III. Old Business

There was no Old Business to review.

I. New Business

Legal Questions regarding request for Financial Information from homeowner

Mr. Craig began the discussion by noting that on Tuesday, Dec 1st an Owl Creek homeowner requested a lengthy list of HOA financial documents be provided to them, per their rights as they understand them in the By Laws of the HOA. HOA attorney Jody Edwards has been invited to the meeting to describe the procedures and obligations of the HOA to meet this request, as the HOA has never dealt such a request in the past.

Mr. Edwards noted that Section 12.2 of the HOA By Laws require that all financial records maintained by the HOA will be available for inspection and copying by any members and section 12.3 details which specific records are covered. CCIOA has a similar list of records, as well as statutory description of obligations of the HOA on how to provide the documents. The HOA is not required to produce and collect copies of the records for homeowners, merely to make them available for inspection and copying. If the HOA decides to produce copies upon request, it can request reasonable reimbursement for time and materials. Mr. Edwards recommended providing financial records that are available and easily produced electronically, especially given the

extra precautions needed during the pandemic. Mr. Schlesinger asked if the records and information provided would be required to be kept confidential once released. Mr. Edwards answered that there is no statutory requirement but that he would draft a letter asking for confidentiality.

The Board instructed Management to produce a list of financial reports that can be made available to the requesting homeowner electronically and once approved, provide them in a timely manner. Mr. Romanski noted the discussion of this matter and how future requests might be handled will be brought up at the Annual Meeting later this month. Homeowners will be advised.

Board Vacancy/Elections

Mr. Craig reminded the Board of the expiration and vacancy of Board seats. Mr. Andrews had resigned his Board position, effective October 23rd, 2020 due of the sale of his home and that position was appointed by the Board to Kay Hanafin. That Board seat expires at the Annual Meeting later this month. Mrs. Hanafin indicated she would serve another term if nominated and elected. Mr. Anderson has notified the Board of his desire to resign his position and Presidency as soon as is practical but that he would remain on the Board until whatever time the Board accepts his resignation. That position can be filled by appointment and expires at the 2021 Annual Meeting. No other Board positions are up for election at the Annual Meeting.

2021 Proposed Budget

Board members have been provided a draft of the 2021 Proposed Budget, which proposed an increase in assessment of 4.5-5% (depending on Phase). Most line items in the budget have no proposed change. The line items with largest dollar increases are Water & Sanitation and Grounds, which account for almost all of the increase in the Operating budget between 2020 and 2021.

Mr. Craig asked the Board members if they had questions or comments regarding the proposed 2021 budget.

Mr. Schmitt noted the proposed 3% increase in insurance premiums and asked why the expected reduction in premiums with the removal of all cedar shake roofs was not in the budget proposal. Mr. Craig noted, while in conversation with the HOA insurance agent, John Wilkinson, he had bids from two insurance companies for the Owl Creek policy, both projected a 2-3% rise in premium, despite eliminating the cedar shake roofs. He indicated that properties with cedar shake roofs were experiencing much larger premium increases. Management will follow up with John Wilkinson on why

there are not more than two bids for the outstanding policy and report back to the Board. Mrs. Hanafin indicated that she will be the board's overseer on this action item until its conclusion.

Mr. Divjak inquired about the significant increase in water usage for 2020 and indicated that the problem might be caused by overwatering of lawn areas, especially off the backyards of homes, which he sees as a consistent problem. He also noted that the Grounds vendor must do a better job of managing water and irrigation usage. Discussion also ensued regarding the 10% proposed increase in the 2021 Grounds budget, the largest single line item in the Operating budget. While most of the Board expressed general satisfaction with the performance of the current Grounds provider, despite issues mentioned regarding the irrigation, the Board wants more confidence that the vendor is also providing the best value for the HOA. To that end, Mr. Divjak volunteered to audit the Grounds invoices and irrigation invoices of the HOA for the previous 3 years and report back to the Board within the next 3 months with any recommendations. Mr. Divjak committed to produce a report on the Grounds and Water Usage issues by 3/31/2021

Mr. Schlesinger made a motion to approve the 2021 Proposed Budget as presented/amended. Mr. Schmitt seconded and the motion was unanimously approved. Mr. Craig will include the budget proposal with the Notice of Meeting to all homeowners.

Date and Time of Annual Homeowners Meeting

Due to the COVID-19 pandemic an in-person Annual homeowner meeting as usually conducted is neither allowed nor recommended. As a result, the Annual Meeting for 2020 will be held via Zoom.

Mr. Romanski made a motion to hold the Annual Homeowners Meeting via Zoom on Tuesday, December 29th, 2020 at 3:00pm. Mr. Schmitt seconded and the motion passed unanimously. Management will send invitation to the meeting via email, along with Agenda, Proxy, Notice of Meeting and the 2021 Proposed Budget.

Discussion of Reserve Fund

Mr. Romanski provided the Board members a list of Common Elements that will require maintenance or replacement in the next several years. Mr. Romanski will prepare a presentation for the Annual Meeting discussing what

Elements have already been replaced and what will require replacement or repairs with rough cost estimates and timeframe for the purpose of creating a plan for funding necessary repairs.

Discussion of replacement of hot tub decks and privacy fences

Mr. Romanski noted per prior Board communication that both the redwood hot tub decks and privacy fences are in need of replacement, as they have reached near the end of their useful expected life and repairs would no longer be a viable plan. He had also provided sketch plans to the Board for privacy fence replacement using a maintenance-free material similar to the new patio deck railings. He suggested that in spring 2021 that the HOA replace the privacy fence adjacent to the hot tub at 916 Burnt Mountain Drive to act as a mock-up that could be viewed for comment by all the homeowners. He also suggested replacing the hot tub decks with matching materials at the same time. The rough estimate of cost is \$250,000 to replace all hot tubs decks and privacy fences.

Concrete Balcony Decks

As per previous Board and homeowner communication, many of the concrete patio decks are damaged and cracking and flaking. The HOA nor the management company have found any viable repair solution for this issue. Also, the waterproof membrane which protects the underside from leaks beneath the concrete is nearing the end of its 25 year expect life, therefore replacement of the concrete at the same time as replacement of the membrane is the prudent plan for both elements, as the concrete would need to be removed to replace the membrane. Mr. Romanski noted that poured concrete was never the best design choice for the decks and is not a good choice for the replacement, as the concrete can never be repaired and must be demolished anytime a snowmelt or membrane repair might be needed on a deck. A better choice would be pavers, which can be easily moved for repairs or replaced when needed. Mr. Romanski has done preliminary research on this matter and gave a rough cost estimate for this entire project (demolition, new pavers, new membrane and new snowmelt lines) at \$1.75 million for the entire complex. Once started it is likely this project would take 2 years to complete. Given the age and damage that already exists to the concrete, the Board will move forward with gathering more information on this project with an tentative start date of 2022 or 2023. The plan is to begin the engineering, design, material selection, vendor selection, bidding scope of work packages, etc. right away with completion of this initial phase by end of 2021.

I. Adjournment

Mrs. Hodson made a motion for adjournment. Mr. Schlesinger seconded, and the motion passed. The meeting was adjourned at 12:02 pm.

Submitted by,

Mrs. Hodson, Secretary/Treasurer