

OWL CREEK HOMES ASSOCIATION, INC
ANNUAL OWNERS MEETING

December 27, 2018

1. CALL TO ORDER AND CERTIFYING PROXIES

Connie Hodson, Board Member, called the meeting to order at 4:10 PM at The Inn at Aspen Buttermilk Room at 506, 38750 Highway 82, Aspen, Colorado. Barton Craig and Mike George of Snowmass Lodging Company were also present. Paul Hoskinson of Cedur and Richard De Campo from Poss Architecture were also present.

Members Present	Unit #
Andrews	12
Warren	08
Schmitt	24
Romanski	16
Anderson (via conference call)	02
Hodson	28
Toren	17
Divjak	11
Bradhering/Kalouria	30
Burgher	31
Lohmiller	01
Migoya	07
Pinnell	10
Pinnell	06
De Quesada	21
Hanafin	23
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Members Present by Proxy	Unit #
Schaepe	26
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TOTAL	(17/31=55%)

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.

SPECIAL PROJECT PRESENTATION BY RICHARD ROMANSKI

Mr. Romanski began the presentation by reminding homeowners that roof replacement is a subject that has been discussed at the Annual Homeowner Meetings since 2015. In 2018 the Board hired a roofing consultant to perform a study which indicated that while some aspects on some roofs are in better condition than others, roof replacement is recommended for all of the Owl Creek Homes within the next two years. He also reminded the homeowners that the HOA has been reminded annually by our insurance agent that the existing roofs are an obstacle in obtaining insurance coverage, with fewer underwriters offering to insure properties with cedar shake roofs.

After much research and due diligence, the roof shake material that the Board recommends for the new roofs is Cedur, a composite patented polyurethane material with a 50-year warranty and a Class A fire rating. The Board has qualified four local roofing contractors that are experienced with this material and have excellent local references. The Board has also consulted with Poss and Associated (the architect of the Owl Creek Homes) to create a scope of work and bid package for roof replacement, which includes Cedur roof shakes, Grace Watershield, plywood backing as needed, heat tape as well as flashing and gutter work. As a result of all of this research the Board is in a position to recommend Homeowners to vote on this roof project in the near future. Questions were answered from various homeowners about the Cedur product and about local contractors, staging and scheduling, as well as color choices for the shakes (which were on display in the meeting room). The final decision has not been made on any of the exact details, but the roof replacement is tentatively scheduled for May-October 2020. The Board will update homeowners as decisions are made and homeowner input is always welcome.

One question that will be of interest to all homeowners is whether their home can be occupied during the roof replacement. The consensus opinion is that there will not be any point during roof replacement where the home will not be safe to be occupied. However, there will be high level of inconvenience from the construction for at least two weeks for each building while the roof is being replaced. That time period may be shorter, but it would be prudent to assume the entire project will take 5-6 months and that each duplex building will take at least two weeks. And that construction impact of a month or more is possible with roof replacement on your building, as well as your next door neighbors.

A task that will be accomplished during roof replacement is that project related to roof replacement is that all gutters will be properly aligned and be equipped with appropriate diverters.

Mr. Romanski also detailed two additional HOA projects that all homeowners received email communication about, which are complete exterior painting of the homes, and deck railing replacement.

Mr. Romanski noted that deficiencies in the design and materials used in the construction of the deck railings, combined with their age, has resulted in the HOA allocating approximately \$15,000 per year for railing repairs. And these repairs by no means solve the railing issues, which will continue until they are replaced. Mr. Romanski noted the Board had researched a composite deck railing (which was on display in the meeting room) which can be installed to replace all of the railings for each home at an estimated cost of \$15,000 per home. This product has a long life and does not require painting. Pending the choice of a color for the railings, the Board is planning on replacing all deck railings at the Owl Creek Homes starting Spring, 2019 and completing the job during the summer.

The third special project under consideration is the repainting of the entire exterior of the Owl Creek Homes. Richard De Campo from Poss and Associates provided rendering of various color schemes, which are also available to view on the HOA website. Mr. Romanski, and various other members present, noted that there is a perception that the colors of the Owl Creek Homes are appearing a bit tired and dated. Several local realtors have expressed their positive opinion that even small changes in the exterior colors will provide an added boost of curb appeal and interest from potential buyers. The Board is working with our architects to come up with a way to better illustrate the color schemes on the buildings themselves. More on that later...

Mr. Romanski noted that all 3 projects (roofs, deck railings and exterior painting) require color choices to be made. The Board welcomes input from homeowners, although ultimately the Board will make the final decisions. Of course, the color choices of all three projects will tie together.

Another project that is planned for spring of 2019 is an engineering study using infrared cameras to assess the EIFS siding. The EIFS assessment study is the first phase to be followed by an intrusive inspection and repairs where needed. The cost of phase 1 is approximately \$12K. Repairs to the EIFS siding will be made based on the results of this study. The cost of repairs is at present unknown. The EIFS repairs will include re-caulking as well. The EIFS will not be painted until after these repairs are complete.

Thomas Hodson provided a brief summary of the estimated financial impact of all of these projects. The HOA will have approximately \$850,000 in its Reserve Fund by the beginning of 2019. Some portion of the Reserve Fund will be allocated to these special projects, but the Board is also mindful that it must leave a sufficient amount in the Fund for other unexpected costs as they might arise. The Board is currently estimating that between \$280,000-\$450,000 might

be allocated from the Reserve Fund for these projects, which would equate to a \$8,700-14,500 rebate per home from the Reserve Fund.

The estimated cost for roof replacement is \$75,000 per **home** (not per building). The estimated cost for exterior painting of all wood and EIFS is \$7,000-12,000 per home. The estimate cost for deck railing replacement is \$15,000 per home.

The combined estimated cost of all of these projects, plus an added 20% contingency for unexpected costs and soft costs such as consulting and engineering and permits puts an estimate of \$117,000-122,000 per homeowner. Mr. Hodson noted that none of these projects has been bid or contracted, so these are all estimates. The largest expense by far is the roof replacement, which is not scheduled until 2020. However, it is likely the HOA will undertake a special assessment for the deck railing and exterior painting projects before spring of 2019, so that they can be completed as soon as possible. Mr. Hodson noted that for any homeowners that are considering a home equity loan or second mortgage, Alpine Bank in Snowmass Village has indicated they would be happy to work with Owl Creek Homeowners and they have a lot of experience in these types of loans for these types of projects in Snowmass Village. Of course, homeowners may use any financial institution of their choice.

Mr. Romanski wrapped up the presentation by noting that although the Declaration of the Owl Creek Homes gives the Board the right to impose Special Assessments, the Board would like to engage all homeowners and make them part of this process. In the coming weeks the Board will be sending a ballot to homeowners for input on color choices, and most importantly your approval of these projects.

3. READING AND/OR DISPOSAL OF UNAPPROVED MINUTES

Mr. Anderson made a motion to waive reading the minutes of the Annual Meeting of December 27, 2017. Mr. Andrews seconded, and the motion was approved by voice vote. Mrs. De Quesada made a motion to approve the minutes of the Annual Meeting of December 27, 2017, as written. Mrs. Hodson seconded, and the motion passed.

4. REPORT OF OFFICERS

Mr. Craig noted that the Association expects to end the 2018 year with approximately \$845,389 in its Reserve Fund, which is held in bank accounts and short-term CDARS through Alpine Bank.

The Proposed Budget has been prepared with the assumption that the Association expects to end the 2018 year with an estimated budget surplus of \$7,000. Per instructions from the Board, any budget surplus from expenses that

are common to all Phases will be transferred to the Exterior Surfaces line item of the Reserve Fund. Any surplus or deficit from costs allocated by Phase will carry forward to the 2019 Budget for each Phase.

The exact amount of the operating fund surplus/deficit will not be known until all 2018 expenses are paid in mid-January.

5. ELECTION OF DIRECTORS

The Board positions of Mr. Divjak, Mr. Romanski and Mr. Anderson expire at the end of this year and are up for nomination.

Mr. Hodson made a motion to nominate Mr. Divjak, Mr. Romanski and Mr. Anderson to serve another three- year term on the Board. Mrs. Hodson seconded and called for a voice vote, and the slate of candidates was elected to another term.

6. UNFINISHED BUSINESS

2019 Budget Review and Ratification

Mr. Craig presented the homeowners with the board approved 2019 budget proposal. The 2019 Budget was prepared with the assumption that the HOA will end the year with a surplus of approximately \$7,000 budget, The proposed budget has an increase in assessments of less than 1%, with no significant changes in line items.

Mr. Craig asked any owners present if they had any questions or comments on the proposed budget.

Mr. Warren made a motion to approve the budget as presented. Mr. Anderson seconded. The budget was approved by a majority of the voice vote.

7. New Business

8. ADJOURNMENT

Mr. Warren moved for adjournment. Mr. Divjak seconded, and the motion was carried. The meeting was adjourned at 6:32 P.M.

Respectfully submitted,

Connie Hodson, Secretary-Treasurer