

OWL CREEK HOMES ASSOCIATION, INC
ANNUAL OWNERS MEETING

December 27, 2021

1. CALL TO ORDER AND CERTIFYING PROXIES

Mrs. Hanafin welcomed the Homeowners to the Annual Meeting, noted how wonderful it is to see so many homes occupied this Holiday season, and called the meeting to order at 4:05 PM via Zoom call. Mrs. Hanafin turned the meeting over to Mr. Craig to make a few notes about the Zoom call and first few items of business. Mr. Craig informed all the homeowners that the Zoom call was set up with everyone muted except Board members, in the interest of keeping order and reducing background noise. Homeowners that wish to speak or ask a question can use the Chat function to either ask a question or request to speak. Barton Craig and Mike George of Snowmass Lodging Company were also present. Bob Kaufmann of Kaufmann Construction also joined the call, as did Everett VerSchave, waterproofing consultant.

Members Present	Unit #
Lohmiller	01
Terpylak	04
Strauss	05
Pinnell	06
Migoya	07
Warren	08
Burkhardt	09
Pinnell	10
Divjak	11
Noem	16
Toren	17
Downing	18
Thomas	20
Sanchez	21
Hanafin	23
Schmitt	24
Schaepe	26
Schlesinger	27
Hodson	28
Bradering/Kalouria	30 Left the mtg at approximately 4:35pm and prior to the election of board members
Etchison	31

Members Present by Proxy	Unit #
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Rapaport 03
Ammon 12

TOTAL (23/31=76%)

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, which was via email.

3. READING AND/OR DISPOSAL OF UNAPPROVED MINUTES

Mrs. Hodson made a motion to waive reading the minutes of the Annual Meeting of December 29, 2020. Mr. Schmitt seconded. Mrs. Hanafin asked if there were any objections among the members to this motion, and hearing none, the motion was approved.

4. REPORT OF OFFICERS

Mr. Craig noted that the Association expects to end the 2021 year with approximately \$94,025 in its Reserve Fund, which is held in bank accounts and an Insured Cash Sweep linked account through Alpine Bank. A contribution to the Reserve Fund of \$139,392 is also included in the 2022 Proposed Budget.

The Proposed Budget has been prepared with the assumption that the Association expects to end the 2021 year with an estimated budget surplus of \$6,607. Per instructions from the Board, if the Homeowners Association ends the year with a surplus, it will be transferred to the Reserve Fund. Any surplus or deficit from costs allocated by Phase will carry forward to the 2022 Budget for each Phase.

The exact amount of the operating fund surplus/deficit will not be known until all 2021 expenses are paid in mid-January.

5. ELECTION OF DIRECTORS

The Board positions held by Mr. Divjak, Mr. Lohmiller, and Mr. Thomas expire at the end of this year and are up for election.

Mr. Schlesinger made a motion to nominate Mr. Divjak, Mr. Lohmiller and Mr. Thomas to each serve a three-year term on the Board. Mrs. Hodson seconded. Dr. Pinnell nominated Sheraton Kalouria. Mr. Sanchez seconded.

Mr. Craig noted that a secret vote is now required, as there are 4 candidates running for 3 open seats on the board. Mr. Craig then explained how cumulative voting works, so that the members understand this process, and that this process is described in the HOA bylaws.

Mr. Burkhardt noted that he does not know any of the candidates, and he requested that each candidate provide verbal information describing their qualifications and reasons why each candidate would like to be elected to the board. Each candidate was given an opportunity to give a verbal response describing why each would like to participate on the board.

The three incumbent nominees proposed to serve another term provided brief summaries of their backgrounds and interests in serving on the Board. Mr. Kalouria lost contact with the meeting and was unable to confirm his acceptance of nomination or provide a verbal commentary.

Mr. Schlesinger made a motion to elect the nominated slate of the three members who had accepted their nominations during this meeting. Mr. Schmitt seconded, and the motion passed.

Mr. Burkhardt requested that prior to the next annual meeting, that the biographies of the known prospective nominees be circulated prior to the annual meeting, so that the members can consider that information. The membership supported this proposal.

6. UNFINISHED BUSINESS

2022 Budget Ratification

Mr. Craig noted that the 2022 Proposed Budget sent to all homeowners includes an increase in assessments of \$1,410 for Phase 1&2 homeowners and a decrease of \$142 for Phase 3 homeowners. All shared expenses among the Phases have increased the same for all homeowners, but Phase 3 Homeowners had a large deficit for lift expenses in 2020, which carried forward to their 2021 assessment and this is not expected to recur next year.

Most budget line items are relatively unchanged from the prior year, but Mr. Craig highlighted the few line items that did substantively change.

Insurance costs were over budget in 2021 due to general trends in the insurance industry and the 2022 Budget was prepared assuming a premium increase of 4% over the prior year.

The budget for legal expenses was increased from \$2,000 to \$10,000 to more accurately reflect actual expenses. The HOA has averaged \$8,620 in legal

expenses over the last two years. In 2022, the HOA will have legal review of contracts for future projects at a minimum, so increasing the legal budget is prudent.

Water and Sanitation is proposed to decrease by 6%, despite an increase in rates from Snowmass Water and Sanitation. The water budget was decreased in 2021 due to efforts by the Board Landscaping Committee, Management, and the HOA grounds vendor to target water savings for irrigation.

Painting and Staining is proposed to increase by \$19,800 to include regular maintenance painting of wooden surfaces such as window frames and garage doors that were last painted in 2020.

Mr. Warren asked that management review deck power washing for which units have had power washing performed and which have not, as he noted that he has not observed power washing of his deck in the current or past years. Management will review the details of deck power washing and report on those details to the board and interested members.

Mr. Warren asked about gap fillers between the spa decks and transitional surfaces. Mrs. Hanafin noted that this detail was not covered or anticipated in scope prior to the inception of the project budget. The board anticipates use of uncommitted stone line item budget funds to address the execution of this added work scope item.

Mr. Craig asked if there were any further questions about specific components of the 2022 Proposed budget, and no members responded with any further questions

Mr. Lohmiller made a motion to approve the budget as presented, and Mr. Divjak seconded. The motion passed, and the 2022 Budget for \$861,556 was approved.

Summary of 2021 Renovation Projects

Mrs. Hanafin provided a summary of progress on 2021 Special Projects of EIFS Repairs and Deck Railing replacement.

Deck Railings Replacement

Mrs. Hanafin noted that deck railings on the street side of all homes have been completed, and mountainside railings will be completed after the decks. The railings budget is \$1,446,084, including materials for which we have spent \$1,010,836, leaving a remainder of \$435,248 for next year's installation work. Materials cost for this project is reported at \$430,575. The punch list for this work scope remains open for any additions that any members may observe and

desire to have added to the punch list. Please report any issues to Bart in writing via email, who will then forward those emails on to Bob and Kay.

Spa Decks and Privacy Walls

All spa decks are installed— members are advised not to use metal shovels, and only Dawn soap, if any members intend to do any cleaning of these decks.

Privacy walls were completed for Streamside units, but due to a short shipment of materials, 8 walls have not been completed for Burnt Mountain units. Work is expected to resume on January 3rd. The estimated cost at last year's Meeting was \$250,000 for both projects, and the actual budget is \$270,122, of which \$166,381 has been spent thus far.

The punch list for hot deck decks and walls will be compiled upon substantial completion and noted issues will thereafter be addressed.

Stone Caps

The stone cap project is completed, pending completion of any punch list work. The budget is \$110,000— spent funds to date amount to \$49,434. Stonework/Caulking/Chinking around hot tubs is planned to be completed in the spring of 2022 via a budget of \$32,000. Replacement stones will be stored in Hot tub crawl spaces.

Exterior Paint and EIFS

This work scope has been completed, except for 814 Burnt Mountain. The exterior paint budget is \$18,000.

The HOA has held retainage on all subcontractors until work is completed to the satisfaction of the board.

Because of the rotting of the deck substructure discovered in August, we stopped the installation of mountainside railings that would have been removed for the deck replacement project and reinstalled later due to waterproofing specifications and curb details.

Mrs. Hanafin turned the floor over to Mr. Kaufmann, the HOA Owner's Representative and Everett VerSchave, the HOA waterproofing consultant.

Mr. Verschave reported on the details of the legacy system (Grace Watershield) versus the newly specified hot-applied system that the HOA intends to install.

Summary of Emergency Deck Replacement—813/814 Burnt Mountain

Dr.

Mr. Kaufmann provided a summary of events which led to three patio decks being demolished and rebuilt this fall at 813/814 Burnt Mountain. In August 2021 the mountainside deck railings installation project was suspended in homes that had not yet received them.

Discussion of concrete vs. pavers

Bid Process

Discussion of waterproofing and material

Bid costs from General Contractors do not include soft costs (architectural, structural, waterproofing and concrete consultants and owner's rep) or any funding for unforeseen conditions

Financing for this project came from Railing Project Budget

5. New Business

2022 Patio Deck Replacement

Bob Kaufmann summarized the projects and bidding process to date. Two goals are to replace waterproofing and failing concrete for all patio decks.

Mr. VerSchave summarized the waterproofing issues and specifications of the project.

Mr. Kaufmann discussed the process undertaken to date for the selection of the General Contractor for this work scope.

Mr. Kaufmann gave a range for a total Project Cost of \$5.88 to \$8.50 million to include Soft Costs. Mr. Kaufmann advised the attendees of the expected timeline concerning the development of the budget and work scope completion.

Mr. Warren spoke at length about his observations regarding the management of the work scope that has been completed to date. The board and Mr. Kaufmann jointly described the changes that the board has made after the exit of Mr. Romanski, prior HOA President, from the HOA and any further involvement in HOA matters.

Mrs. Hanafin noted that the HOA has filed an insurance claim related to the deck replacement at 814 Burnt Mountain due to unforeseen conditions encountered and potentially hidden defects that have been discovered. The Board assumes that similar conditions and costs may be encountered on other decks at other homes. The board cannot speculate on the outcome of the submitted claim at this time.

Summary of HOA Audit

Mr. Divjak noted that the Board had just completed an outside audit of the HOA financials. No major discrepancies, material errors, or defalcations were discovered during the course of the audit. After the Board members have all had time to review and consider the recommendations of the auditor, the Board intends to make the results of the audit available to the general membership.

Mrs. Hanafin asked the members about any expressed preferences regarding timing of future special assessments. There was general agreement that quarterly assessments worked well in the past and should work well in the future.

Mr. Divjak noted that any proposed modifications to HOA common elements need to be presented in writing to the board prior to the inception of any work.

New neighbors Amy and Brian Etchinson and Troy Noem introduced themselves.

6. ADJOURNMENT

Mr. Schlesinger moved for adjournment. Mr. Sanchez seconded, and the motion carried. The meeting was adjourned at 5:42 P.M.

Respectfully submitted,

Connie Hodson, Secretary-Treasurer
HOA website www.slccassoc.com click on Owl Creek Homes