

## **OWL CREEK HOMEOWNERS ASSOCIATION**

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### **MINUTES OF THE NOVEMBER 20, 2006, BOARD OF DIRECTORS MEETING**

#### **I. Call to Order**

Mr. Anderson called the Meeting called to order at 10:06 am via a conference telephone call. Board members present via conference call were Connie Hodson, Hank Anderson, Al Lattof, Lee Wagman and Eugene Schmitt. Michael George and Barton Craig of Snowmass Lodging Company were also present.

#### **II. Approval of Minutes of November 22, 2005**

Mr. Schmitt made a motion to waive the reading of the minutes of the November 22nd, 2005, Board of Directors meeting and approve them as written. Mrs. Hodson seconded, and the motion passed.

#### **III. Old Business**

##### **A. Allocation of budget deficit**

Based on operations through the first three quarters management expects to end the year with a budget deficit of approximately \$3,572, due primarily to slightly higher than expected costs in Grounds and R+M General.

Per previous instructions from the Board the 2007 Budget has been prepared with this deficit built into the budget.

##### **B. Driveway and street repairs**

Management has obtained an estimate to patch, repair and resurface all driveways and roads next spring for a cost of approximately \$40,000. The Reserve Fund will have \$38,645 allocated for these repairs, assuming the 2007 budget is approved with the Reserve Fund amount currently proposed.

##### **C. Declaration Amendment**

Mr. Craig explained that no progress had been made on the change, as the

HOA attorney, Maria Morrow of Oates and Knezevich, has been consistently poor at returning phone calls, and management has been unable to get the attorney to proceed with drafting the amendment language and presenting the mailing to the membership. Management has been unable to compel the attorney to proceed.

Mr. Craig also pointed that in the last communication with the attorney, which was forward to the Board months ago, she commented that there is no Colorado case law to address whether this particular restriction is enforceable. She said the HOA's ability to enforce this restriction is dependant upon how strong the HOA's justifications are for restricting fractional-type use. The HOA must have a reasonable basis to distinguish between fractional type plans and traditional rentals. She advised that the HOA consider the ways in which fractional type plans impact the HOA differently than high volume rental through traditional agencies. She recommended the HOA keep a record of this rationale. We currently have no written rationale of this sort.

Mr. Wagman requested that Mr. Craig contact Rick Knezevich and ask him to prepare this amendment and the mailing to the members and to the First Mortgagees before the upcoming 2007 annual meeting.

#### **IV. New Business**

##### **A. Assessment 2007**

Mr. Craig provided a summary of the 2007 Budget proposal. He noted that increases for insurance, general repairs, grounds, and the Reserve Fund make up most of the projected cost increases from the 2006 budget. Mr. Craig asked the Board members if they had any questions regarding the proposed budget or the accompanying rationale.

Mr. Schmitt made a motion to approve the amended budget to increase the Reserve Fund contribution from \$49,073 to \$74,980, and as amended to anticipate a three-year replacement expenditure plan for the remaining 29 boilers, resulting in a total 2007 assessment at \$625,191. Mr. Wagman seconded, and the motion passed.

## **B. Budget & Financial Review 2006**

Based upon results of operations through September, management projects that the Association will finish fiscal 2006 with a deficit of \$3,572. The HOA currently holds \$201,000 in Reserve Fund accounts.

## **C. Schedule & Agenda for Annual Owners Meeting**

Mr. Anderson offered to host the annual meeting at his home on December 29, 2006, at 4:00 pm. Mr. Craig will advise Mr. Anderson, if the count of expected attendees grows large enough to change venues to the meeting room at Chamonix.

Mr. Craig will send a Notice of Meeting to the members giving the time and location of the annual meeting, as well as a copy of the proposed budget.

Mr. Craig noted that one Board position is open for reelection. Mr. Anderson was elected President for a three-year term in 2003. Mr. Rich has vacated the Board due the sale of his home. The Board is currently 5 members, and can be between 3-7 members by Declaration. Mr. Wagman asked Mr. Craig to advise the members of the two open Board seats, in case any are interested in serving.

Mr. Wagman asked if the proposed letter on voluntary contributions for the surface lift had been sent out to the members. Mrs. Hodson advised that the feedback she had received on the issue was not supportive of issuing the document to the members. Mr. Schmitt recommended that this issue be placed back on the agenda for the 2007 annual meeting. Mr. Wagman commented that the issue of Phase I and II owners using the surface lift without contributing to its costs would likely become worse over time.

## **V. Adjournment**

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

Submitted by

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Eugene Schmitt, Secretary