

OWL CREEK HOMEOWNERS ASSOCIATION

MINUTES OF THE DECEMBER 1st, 2011, BOARD OF DIRECTORS MEETING

I. Call to Order

Mrs. Hodson called the Meeting called to order at 10:02 am via a conference telephone call. Board members present via conference call were Connie Hodson, Gene, Schmitt, Al Lattof, David Barnes, Scott Schlesinger, and Lee Wagman. Michael George and Barton Craig of Snowmass Lodging Company were also present.

II. Approval of Minutes of July 22, 2011

Mr. Wagman made a motion to waive the reading of the minutes of the July 22, 2011, Board of Directors meeting. Mr. Schlesinger seconded, and the motion passed. Mr. Schmitt made a motion to approve the minutes, as written, and Mr. Schlesinger seconded. The motion passed.

III. Old Business

A. Allocation of budget surplus

Based on operations and a prior cumulative operating fund surplus through October 2011, management expects to end the year with a budget surplus of approximately \$ 1,279.57. Management has accrued expected water and sewer costs for quarter 4 2011 into these projections.

Mr. Schmitt made a motion to allocate any surplus from the 2011 operating fund, after external review, to the Reserve Fund. Mr. Schlesinger seconded. After a voice vote the motion passed.

B. Removal of Cottonwood Trees

Per discussion at the July 22nd Board Meeting, the 2012 budget includes \$25,000 for the removal of approximately 50 cottonwood trees that have been marked since mid- summer. Objections have been raised by homeowners to four of the trees. Since troublesome trees can always be removed at a later date and none of the trees are actively causing problems, management has told homeowner that those trees will not be removed next year.

Mr. Schlesinger advised that stump removal, based upon his experience, may require more detailed work than grinding the stumps, and that the surface cottonwood roots might need to also be removed. The Board asked that Bart investigate the costs and possibility of trying to have the surface roots removed.

Mr. Barnes noted that he would be at the property on December 3, 2011, and he was reserving comments regarding specific planned tree removals until he had time to walk the property.

Bart noted that to date some association members had objected to the proposed removal of 4 of the 50 trees identified by the arborist as targeted for removal. The Board agreed with Bart's recommendation to defer on removal of these trees.

C. Fire Extinguishers

Per a decision at the July 22, 2011, Board meeting, three fire extinguishers have been purchased for each Owl Creek Home. Most are installed, and the rest will be installed in the next week. The HOA will also be responsible for annual maintenance of the extinguishers.

IV. New Business

A. Assessment 2012

Mr. Craig provided a summary of the 2012 Budget proposal.

Most areas of the budget are either flat or are incurring small inflationary increases. One exception is the Painting budget, which has increased by \$35,500, because painting in 2012 is proposed to be done on the 21 Phase 1+2 homes. Also, the grounds budget includes an increase of \$45,000. Two special projects are scheduled to be performed in 2012: The removal of 50 cottonwood trees for \$25,000, and the replacement of approximately 10,000 square feet of grass sod from areas that were originally wildflower sod.

Apart from these two lines items, the 2012 budget also includes an expected increase of \$10,976 in insurance premiums. Management has included this increase at the recommendation of the insurance broker in anticipation of premium increase on the same replacement cost valuation of \$64 million for 108,500 sq ft, or 589.86/ sq. ft.

Mr. Schmitt made a motion to approve the budget as presented/amended. Mr. Wagman seconded, and the motion passed by voice vote.

B. Budget & Financial Review 2011

Management advised the Board that OC23 is delinquent in the amount of \$23,244.92. Mr. Craig noted that he has retained counsel on behalf of the Association for this matter. Counsel has notified the unit owner that a lien will be filed on behalf of the Association, if he doesn't cure the default. There has been no response to this notification letter from the unit owner, so Mr. Craig will advise counsel to proceed with filing this lien, barring receipt of

payment from the unit owner, after the budget meeting.

Mr. Craig asked the Board to assist him in working directly with counsel on this issue to help manage both the costs and the process. The Board will assist Bart and directed him to proceed to have counsel to file the lien and move aggressively to protect the interests of the association.

The Reserve Fund is budgeted at \$355,771 for year-end 2011, and it is expected to grow to \$420,751 by year end 2012. Management also expects to spend up to \$10,000 on pavement/driveway repairs during calendar year 2012.

C. Schedule & Agenda for Annual Owners Meeting

The annual meeting is proposed for Thursday, December 29, 2011, at 3:30pm. The meeting will be held at either The Enclave or Woodrun Place, depending upon availability of either meeting room. Directions will be provided in the Notice of the Meeting to the members.

D. Other New Business

Mr. Wagman recommended that Bart draft a letter for Board approval about the recent reserve fund study that has been completed and provide a copy to the members. He asked that the letter describe the board philosophy of accumulating additional reserves without attempting to fully fund in advance for all future common element replacements. This philosophy means that, in some future cases, special assessments to help fund replacement costs may be necessary.

V. Adjournment

Mr. Schlesinger made a motion for adjournment. Mr. Schmitt seconded, and the motion was passed. The meeting was adjourned at 10:57 AM.

Submitted by

Mr. Schmitt, Secretary