

OWL CREEK HOMES ASSOCIATION, INC
ANNUAL OWNERS MEETING

December 31, 2012

1. CALL TO ORDER AND CERTIFYING PROXIES

Hank Anderson, President of the Association, called the meeting to order at 3:34 PM at The Enclave Condominium conference room at 360 Wood Road in Snowmass Village, Colorado. Board members Hank Anderson, Gene Schmitt, Connie Hodson, Scott Schlesinger were present. Barton Craig and Michael George of Snowmass Lodging Company were also present.

Members Present	Unit #
Hank Anderson	02
Cliff and Jean Findeiss	07
Harry Andrews	12
Gene Schmitt	24
Connie and Tom Hodson	28
Scott Schlesinger	27

Members Present by Proxy	Unit #
Mitchell Bleznak	8
Les Bider	9
Helen Davis	19
Richard Romanski	16
Al Lattof	17
Gary Judis	21

TOTAL (12/31= 39%)

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.

3. READING AND/OR DISPOSAL OF UNAPPROVED MINUTES

Mr. Schlesinger made a motion to waive reading the minutes of the Annual Meeting of December 29, 2011. Mrs. Hodson seconded, and the motion was approved by voice vote. Mr. Schlesinger made a motion to approve the minutes of the Annual Meeting of December 29, 2011, as written. Mrs. Schlesinger seconded, and the motion passed.

4. REPORT OF OFFICERS

Mr. Craig noted that the Association expects to end the year with approximately \$446,000 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 year with an operating surplus of \$8,880. The surplus will likely be several thousand dollars greater due to savings in November and December snow removal.

The exact amount of the operating fund surplus will not be known until all 2012 expenses are paid in late January. The budget has been prepared with the assumption that the operating surplus will be transferred to the Reserve Fund after external accounting review. The 2012 Budget assumes a prior year Operating Fund balance of \$0, excluding allocated Phase billings. Any

year-end surplus or deficit from the allocated by Phase portion of the Operating Budget will be carried forward to the 2012 assessment.

5. ELECTION OF DIRECTORS

Four Board positions are up for re-election on the Board, as Mr. Barnes, Mr. Anderson, Mr. Lattof and Mr. Schlesinger were all elected to 3 year terms in December of 2009. The Board currently has 7 members and can have anywhere from 3 to 7 members.

Mr. Andrews made a motion to nominate all 4 Board members for another terms. Mr. Schlesinger seconded and a voice vote, they were elected to another term.

6. UNFINISHED BUSINESS

2013 Budget Review and Ratification

Mr. Craig presented the homeowners with the 2013 budget proposal. Mr. Craig suggested one change to the proposed budget that has been approved by the Board and sent to all homeowners prior to the meeting. Per a meeting last week with the Association independent insurance agent, 2013 premiums will total \$108,561 which is \$3,984 higher than the estimate. Mr. Craig proposed that the insurance premiums budget be raised by that amount, which will have the effect of increasing the annual assessment amount by \$128 per home.

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

Mr. Schlesinger made a motion to approve the budget as amended for higher insurance premiums. Mr. Andrews seconded, and the budget was approved as amended by a voice vote.

7. New Business

Discussion of availability of Line of credit for HOA

Mr. Craig informed the members that per a request from the Board, management has obtained the following information from Alpine Bank.

Alpine Bank does offer lines of credit for associations. It offers both revolving and straight lines of credit. Options for collateral include Assignment of Assessment and Special Assessments. The association has CDARS currently totaling \$386,250. CDARS would be another consideration for collateral. Rates and Terms are determined based on collateral.

Regardless of the collateral being offered, Alpine Bank will need the following information to be able to put the loan together:

1. Current Profit/Loss and Balance Sheets
2. Two Years Federal Tax Returns (including all schedules, statements and K-1s)
3. Meeting Minutes (outlining the loan request, amount, purpose, who will sign on behalf of the association)
4. Borrowing Resolution
5. Articles of Organization
6. Bylaws of the Association

There would be an initial origination expense that would range from 0.5-1.0% of the loan amount. In addition to that fee would be recording information, attorney's fees, document preparation fee, etc.... Typically, lines of credit without a specific purpose or project are issued for 12 month

terms. There is no "monthly" fee to carry the loan with a zero balance, however, each year there would be an extension fee of a minimum of \$250.00.

Payments would be interest only monthly on any outstanding principal balance. If nothing has been drawn, no payment is due.

After discussion the members decided to defer on any decisions regarding credit lines at this time.

Discussion of installation of timers or controls for heat tape

Mr. Craig noted that management has been approached by a few members about installing timers or moisture sensors on their heat tape system. By way of background, the heat tape as well as the gutters and roof they protect are HOA property, but each homeowner pays the electricity to run it, which is approximately \$150 per month in the winter. The heat tape is designed to keep ice dams from forming on the roof and keeping gutters clear so melted snow can drain.

The heat tape was installed with no controls and runs 24 hours a day when it is turned on in the winter. That is how they are generally installed. However, the general consensus is that often in the night time hours when it is well below freezing, the heat tape does not perform much of a benefit. It is not uncommon in this area that homeowner, usually full-time residents, install a timer or control on the heat tape to save electricity.

The question for discussion is whether the HOA will allow individual homeowners to change the way this Common Element is operated.

Mr. Andrews made a motion to deny the use of timers for snowmelt systems. Mrs. Findeiss seconded, and the motion passed.

Other New Business

Mr. Schlesinger asked about the hours of operation for the Poma lift. Mr. Craig replied that the cost of operation for the Poma lift is part of the overall ski operations that are shared by 61 property owners, and The Pines association is the owner of the asset. Mr. Craig offered to raise the subject of extending the Poma lift hours of operation by ½ hour per day with the manager of The Pines association.

Mr. George noted that Snowmass Lodging Company may undergo some structural changes in early 2013. Operationally, there should be no discernible changes to the association members. Mr. Anderson asked that management forward the pertinent information to the Board, as it becomes available.

8. ADJOURNMENT

Mr. Schmitt moved for adjournment at 4:40 PM. Mrs. Hodson seconded, and the motion was carried. The meeting was adjourned at 4:40 P.M.

Respectfully submitted,

Eugene Schmitt, Secretary