

OWL CREEK HOMES ASSOCIATION, INC
Board Of Directors Meeting
June 21, 1999

A meeting of the Board of Directors was held at Michael Puder's house at 1120 Burnt Mountain Drive at 9:00 am on June 21, 1999. Present at meeting were Board members Michael Puder and Terry McKay, and Barton Craig represented Snowmass Lodging Company.

Election of Officers. Election of officers was deferred until board member Mr. Anderson can be contacted. Mr. Puder volunteered to take office of President or Secretary. Mr. McKay would prefer not to be an officer, as he does not spend much time in Snowmass Village. If Mr. Anderson will accept a position, then Mr. McKay offers his vote to whoever chooses to be President and Secretary.

Association costs versus Individual costs. Discussion was opened on the specific issue of how to treat repair costs for leaking sprinkler heads that are part of the fire protection system. The association has not incurred any costs yet, but it will likely occur in the future. Mr. Puder and Mr. McKay decided to treat these as association costs. The rationale is that all other aspects of the fire system (monitoring, telephone line, and annual inspection) are currently association costs. Mr. Craig will find out from the insurance agent what the association policy covers in this regard. The hypothetical question that came up is who covers damage caused, if a sprinkler head were to go off for no reason and flood a unit.

A similar issue is how to treat costs related to the snowmelt system. On this issue, Mr. McKay and Mr. Puder agreed that these should not be considered association costs. Each owner can control their own system and should therefore be responsible for how they are operated. Mr. Craig pointed out that the Declaration could be interpreted to mean that the snowmelt system could be considered a limited common element. Mr. McKay recommended calling local attorney Andy Hecht for an opinion. Mr. Hecht worked for the Snowmass Land Company when the Declaration was written, and he may be able to clarify the issue. The Board authorized Snowmass Lodging Company to consult Mr. Hecht for an hour or two of billing time.

Reserve Fund. The Reserve Fund was eliminated from the 1999 budget, but the association still holds the contents of the assessment levied to Phase 1 and 2 owners in 1998. This assessment was to be refunded as cash flow allowed in 1999. Mr. Puder and Mr. McKay agreed that the association cash flow could benefit by using this money as a supplement to the existing working capital fund. The association's biggest expense is insurance, which is prepaid at the beginning of the year. As long as this is the case, the association will have a cash flow problem for the first two quarters. The Board decided to levy the original Reserve Fund assessment of \$ 3,001.19 to the ten Phase 3 owners in 2000. At that point, the association will hold the same amount from all 31 owners. Mr. Craig will draft a letter to the members explaining the decision and recording the change to the approved budget for 1999 to go out with the next periodic mailing of assessment statements.

Budget Meeting. The Board is required to submit a draft of the next proposed budget to the owners 15 to 30 days before the annual meeting. Mr. Puder and Mr. McKay would like to attend the meeting in person, if possible. A date sometime in the first two weeks of August was discussed. Hopefully, all three Board members will be in Snowmass at the same time during this period.

Concrete gutter cracks. Mr. Puder pointed out many cracks in the concrete gutters that run along the road. Mr. Puder recommended contacting Snowmass Land Company. He feels that they are still responsible for the maintenance of the concrete gutters.

Sewer clean out access tubes. Mr. McKay pointed out that the sewer clean out tubes are an eyesore. He recommends cutting them down lower to the ground and/or painting them green to camouflage them.

Michael Puder, Acting Secretary