

OWL CREEK HOMEOWNERS ASSOCIATION

MINUTES OF THE OCTOBER 29, 1999, BOARD OF DIRECTORS MEETING

I. Call to Order

Mr. Craig called the Meeting called to order at 1:00 P.M. via a conference telephone call. Board members present via conference call were Hank Anderson, Terry McKay, and Michael Puder. Michael George and Barton Craig of Snowmass Lodging Company were also present.

II. Approval of Minutes of June 21, 1999

Mr. Anderson made a motion to waive the reading of the minutes of the June 21, 1999, Board of Directors meeting and approve them as written. Mr. McKay seconded, and the motion passed.

III. Old Business

A. Election of Officers

Mr. McKay nominated Mr. Puder for the office of President. Mr. Anderson seconded the motion, and the motion was passed. Mr. Puder nominated Mr. Anderson for the office of Secretary. Mr. McKay seconded the motion, and the motion was passed.

B. Interpretation of Declaration

Reserve Fund - Management reminded the Board members that the Association declaration requires a Reserve Fund and requires that it be funded based on some sort of replacement cost rationale. The budget proposals for 2000 do not include a Reserve Fund contribution, but Snowmass Lodging Company continues to encourage the funding of the Reserve. After discussion the Board decided not to consider including a contribution to the Reserve Fund for the 2000 budget year.

Limited Common Elements-Management has been in contact with attorney Mickey Herron of Garfield and Hecht, the firm that created the Owl Creek Declaration. The particular concern is regarding the repair and maintenance of the snowmelt systems. After examining the declaration in the summer, Mr. Herron recommended that the Association take responsibility for all repair and maintenance of the snowmelt systems. Management had asked Mr. Herron to examine the best way to change the declaration to meet the needs of the owners. Mr. Herron recommended not taking any action to change the declaration regarding R&M of the chimneys, exterior doors,

or decks. He feels there are good reasons to treat these as limited common elements.

The Board decided to follow the recommendation of Mr. Herron and consider repairs of the snowmelt systems to be costs of the Association.

IV. New Business

A. Assessment 1999/2000

Management has presented two alternate budget proposals that are identical with the exception of the R&M General line item. One proposal is for R&M General of \$24,960, the other increases to \$62,500. The lower proposed budget is for \$279,764 in assessments and represents an increase of 15% for Phase I and II owners, and a 7.62% increase for Phase III owners.

Mr. Puder made a motion to approve the lower budget as presented. Mr. Anderson seconded, and motion passed.

B. Budget & Financial Review 1999

Based upon results of operations through three quarters, management projects that the Association will finish fiscal 1999 with an operating surplus of about \$15,000.

After discussion Mr. McKay made a motion to refund to the Phase 3 owners that portion of the current fiscal year surplus that consisted of costs borne directly by the Phase 3 owners. Specifically, those costs are portions of the insurance coverage, electric, gas, and ski lift operation costs. Mr. Anderson seconded, and the motion passed. Management will also analyze the allocated insurance costs for Phase 1 & 2 owners to find out if a refund is due to them. The Board instructed management to apply this policy to future year surpluses and deficits for those costs that are borne by only a portion of the homeowners within the Association.

Mr. McKay made a motion to transfer any remaining unallocated surplus to the Reserve Fund. Mr. Anderson seconded, and the motion passed.

C. Schedule & Agenda for Annual Owners Meeting

Mr. Puder offered to host the annual meeting at his home on December 27, 1999, at 5:00 pm. The other Board members thanked Mr. Puder for offering to host the meeting. Mr. George and Mr. Craig will advise Mr. Puder if the count of expected attendees grows large enough to change venues to one of the meeting rooms at Chamonix or Woodrun Place.

Mr. Craig will advise the members of the time and location of the annual meeting.

D. Miscellaneous

Flexible driveway markers – Mr. Anderson asked about the use of driveway markers for the upcoming winter. Mr. Craig advised that he was purchasing markers that match those that the town uses for placement throughout the complex.

Mr. Anderson asked about the sleigh ride request. Mr. Craig advised that, as two owners had voiced opposition to the request, he had informed the vendor that permission would not be granted for the sleigh ride company to use Owl Creek property. All of the Board members commented that allowing the sleigh company to use the Association property would be beneficial to the community at large and that the potential for problems was very small. Accordingly, Mr. Puder made a motion to allow the use of the property by the sleigh ride company, Mr. Anderson seconded, and the motion passed. Mr. Craig will contact the vendor and the owners who voiced opposition to the request to explain the decision of the Board and to find out if the vendor would still like to use this route.

VI. Adjournment

Mr. Puder made a motion for adjournment. Mr. McKay seconded, and the motion was passed. The meeting was adjourned at 1:30 P.M.

Submitted by

Hank Anderson, Secretary