

OWL CREEK HOMEOWNERS ASSOCIATION

MINUTES OF THE NOVEMBER 11, 2004, BOARD OF DIRECTORS MEETING

I. Call to Order

Mr. Anderson called the Meeting called to order at 3:00 PM via a conference telephone call. Board members present via conference call were Connie Hodson, Hank Anderson, Jerry Rich, and Eugene Schmitt. Michael George and Barton Craig of Snowmass Lodging Company were also present.

II. Approval of Minutes of November 20, 2003

Mr. Schmitt made a motion to waive the reading of the minutes of the November 20th, 2003 Board of Directors meeting and approve them as written. Mrs. Hodson seconded, and the motion passed.

III. Old Business

A. Allocation of Surplus/Deficit

Based on operations through three quarters management expected to end the year with an operating deficit of approximately \$7,500. The HOA has never ended a year in deficit.

The reason for this projected deficit is the snowmelt moisture sensor retrofit project, which the Board has previously approved. The 2005 Budget Proposal carries forward this estimated deficit into the funding for the 2005 budget. It is possible management will present an amended budget proposal at the Annual meeting if the number is expected to change significantly.

It is extremely unlikely that the HOA will end the year with a budget surplus. This would only occur if all remaining bills for the rest of year come in lower than expected. In the unlikely event of a budget surplus the money could be transferred into the Reserve Fund, used to discount the 2005 assessment, or refunded to homeowners. Mr. Rich made a motion that any surplus should be transferred to the Reserve Fund. Mr. Anderson seconded, and the motion passed.

IV. New Business

A. Assessment 2004

Mr. Craig provided a summary of the 2004 Budget proposal. He noted that apart from normal price increases for insurance and utilities, the largest substantive differences in the 2005 Budget from the prior year is the \$7,500 deficit, whereas in 2004 the HOA ended the year with a surplus which was transferred to the Reserve Fund. Mr. Craig asked the Board members if they had any questions regarding the proposed budget or the accompanying rationale.

B. Budget & Financial Review 2004

Based upon results of operations through September, management projects that the Association will finish fiscal 2004 with a deficit of \$7,500. The HOA currently hold \$162,168 in Reserve Fund accounts.

Mr. Rich had a question about the grounds budget rationale related to changing flower sod sections that are weed infested to grass sod in Phase III. Mr. Anderson commented that it was more economical to simply replace wild flower sod with grass sod in areas that need a change.

Mrs. Hodson asked if the insurance agency bids the policy on a competitive basis. Mr. George replied that it does, and that competition for coverage at these replacement price levels is limited to a few companies.

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

Mr. Schmitt commented that asking for any necessary management fee increases in the future might be done on a more frequent basis, so the percentage increase would not be so large on a year-to-year basis. He also made note that management fees for a similar sized property in a different locale had a lower management fee.

C. Schedule & Agenda for Annual Owners Meeting

Mr. Anderson offered to host the annual meeting at his home on December 30, 2004, at 4:00 pm. The other Board members thanked Mr. Anderson for offering to host the meeting. Mr. Craig will advise Mr. Anderson, 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 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.

D. Miscellaneous –New Business

Mrs. Hodson asked about the miscellaneous cost for local newspapers paid for by the Association on behalf of the members. Mr. Craig advised that the cost of the papers ran \$725 last year, and the attendees commented that they thought it was a good idea to continue the program.

VI. Adjournment

Mr. Schmitt made a motion for adjournment. Mr. Anderson seconded, and the motion was passed. The meeting was adjourned at 3:18 PM.

Submitted by

Eugene Schmitt, Secretary