

OWL CREEK HOMEOWNERS ASSOCIATION

MINUTES OF THE NOVEMBER 22, 2005, BOARD OF DIRECTORS MEETING

I. Call to Order

Mr. Anderson called the Meeting called to order at 10:00 AM via a conference telephone call. Board members present via conference call were Connie Hodson, Hank Anderson, Jerry Rich, AL Lattof, Lee Wagman and Eugene Schmitt. Michael George and Barton Craig of Snowmass Lodging Company were also present.

II. Approval of Minutes of November 11, 2004

Mr. Anderson made a motion to waive the reading of the minutes of the November 11th, 2004 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 \$5,494. As per prior communications with the Board, the reason for this deficit is the cost of the flue replacement repairs, now completed, which was a total of about \$16,000.

Management also points out that the HOA is expected to end the year with a surplus of almost \$8,000 in the Water and Sanitation line item. The reason for this surplus is a faulty water meter and Snowmass Water and Sanitation's inability to correctly read the meter charge for the water the HOA has used. This is not the first time the HOA has had this problem. It unlikely the HOA will ever be charged for this water, and, therefore, management does not recommend accruing the charge in 2005. Mr. Craig wanted to make sure that the Board is aware of both the surplus in this line item and the potential, however unlikely, that the water district may attempt at some time in the future to collect money in arrears for water consumption in 2005.

B. Snowmelt Boiler Retrofit Project Update

Management updated the Board that the project began two weeks ago and 7 homes are completed. The project should be completed by the end of the year.

The only complication is that the system now mixes hot and cold water to achieve an ideal temperature, rather than dumping hot water into the circulating lines. This causes a longer duration of time for the boiler to melt the decks. The current moisture sensor is not programmable and only allows for a run time of 4 hours, each time the sensor is tripped. Management recommends adding a programmable timer to the system for an installed price of \$150 per home. Mr. Schmidt made a motion to approve increasing the scope of work to include the installation of programmable sensors. Mr. Anderson seconded, and the motion passed. Management will increase the Reserve Fund contribution by an additional \$50 per home per year over the next three years to recover the additional costs of these timers.

IV. New Business

A. Assessment 2006

Mr. Craig provided a summary of the 2006 Budget proposal. He noted that apart from normal price increases for insurance and utilities, the largest substantive differences in the 2006 Budget from the prior year is the \$5,494 deficit, the increase in the Painting budget, and the increase in the Reserve Fund. Mr. Craig asked the Board members if they had any questions regarding the proposed budget or the accompanying rationale.

Mr. Rich asked about holiday lighting and blacktop repairs. Mr. Craig replied that he has a professional lighting company coming to set up displays at both entries within the next week or two. Mr. Rich commented that the Association members should then be able to enjoy improved entries during the upcoming holidays and throughout the winter. Mr. Craig then commented that the Association has reserved about \$32,000 for blacktop repairs and replacement that is available for use in the spring of 2006. Mr. Rich and Mr. Schmidt both commented that prudent patching and resurfacing should be priced this winter for repairs in the spring.

Mr. Wagman asked Mr. Craig to review the scope of work necessary for the boiler repairs. Mr. Craig replied that the flues were rotting from excessive condensation because of the way that supply water enters the boiler system cold and comes out very heated. As the hot water leaves the boiler and mixes with existing cold water in the loop, condensation forms, which is the source of the corrosion in the flues. By installing a primary loop to mix the hot and cold water as it leaves the boiler, condensation should be significantly reduced, and future excessive corrosion of the flues can be avoided.

B. Budget & Financial Review 2005

Based upon results of operations through September, management projects that the Association will finish fiscal 2004 with a deficit of \$5,494. The HOA currently hold \$194,798 in Reserve Fund accounts.

Mr. Anderson made a motion to approve the budget, as amended to increase the Reserve Fund contribution from \$47,523 to \$49,073, which sets the total 2006 assessment at \$532,413. Mrs. Hodson seconded, and the motion passed.

C. Schedule & Agenda for Annual Owners Meeting

Mr. Anderson offered to host the annual meeting at his home on December 29, 2005, at 4:00 pm, but he also informed the Board members that he may not be able to attend and host the meeting this year, due to family health issues. If Mr. Anderson cannot host the meeting, he will advise all of the Board members and management, so that the meeting venue can be changed. 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.

Mr. Craig noted that one Board position is open for reelection. Mr. Schmitt was elected at the 2002 Annual meeting.

D. New Colorado Law regarding Homeowners Associations

Management informed the Board that effective January 1st, 2006 a new law takes effect in the State of Colorado regarding the management of HOAs. As a result, starting sometime next year the HOA will provide access for members to a website which will provide information to all homeowners that the State now requires.

Mr. Wagman asked about the status of the legal review regarding limitations on fractional ownership within the Association. Mr. Craig replied that the attorney had participated in a conference call with the Board to discuss this subject. Mr. Rich asked that further discussion of this issue be continued at the Annual meeting in December. Mr. Craig will make sure that it is an item on the agenda and will resend an excerpt from the minutes of the conference call to the Board members after this meeting.

V. Adjournment

Mr. Anderson made a motion for adjournment. Mr. Wagman seconded, and the motion was passed. The meeting was adjourned at 10:30 AM.

Submitted by

Eugene Schmitt, Secretary