

OWL CREEK HOMEOWNERS ASSOCIATION

MINUTES OF THE December 7th ,2015, BOARD OF DIRECTORS MEETING

I. Call to Order

Mr. Anderson called the Meeting called to order at 10:03 am via a conference telephone call. Other Board members present via conference call were Gene Schmitt, David Barnes, Lee Wagman, and Connie Hodson. Michael George and Barton Craig of Snowmass Lodging Company were also present.

II. Approval of Minutes of December 3, 2014

Mr. Schmitt made a motion to waive the reading of the minutes of the December 3, 2014, Board of Directors meeting. Mrs. Hodson seconded, and the motion passed. Mr. Schmitt made a motion to approve the minutes, as written, and Mrs. Hodson seconded. The motion passed via voice vote.

III. Old Business

A. Allocation of budget surplus/deficit

Based on operations through October 2015, management expects Owl Creek to end the year with a cumulative budget surplus of approximately \$68,460. The 2016 Proposed Budget assumes a transfer of this surplus to the Reserve Fund by vote of the Board, with the exception of surplus or deficits from the few line items of the budget which are allocated by Phase, amounting to \$4,190.54. The 2016 budget has been prepared to propose that the amount from these allocated line items will be carried forward to the budget year assessment by Phase.

Actual operating results for the rest of the year may change how the HOA will end the 2015 year against the budget.

The reserve fund generated \$119 in interest income through October 2015. The external accountants have advised that any net credit to the Miscellaneous line item be allocated to a line item that will have a specific future expense. Mr. Wagman made a motion to allocate the net credit in the Miscellaneous line item at year end to the Roof Replacement line item. Mr. Anderson seconded, and the motion passed.

Mr. Anderson made a motion to allocate any surplus, with the exception of amount from the few line items of the budget which are allocated by Phase from the 2015 operating fund, after external review, to the reserve fund. Mr. Schmitt seconded. After a voice vote, the motion passed. The net surplus will be divided between the Roof and Exterior Surfaces line items, per the discussion in the budget rationale.

B. Discussion of roof replacement

Mr. Craig reminded the Board that at the 2014 Board and Annual meetings the topic of eventual roof replacements was discussed. Management contracted an inspection of the roofs at Owl Creek, the summary of which is that the roofs are serviceable and that an estimated repair cost of \$3,500-6,500 per home would extend the life of the roofs between 5-10 years. The estimated cost at the time of the inspection for a new roof was approximately \$30,000 per home, while the previous estimate had been \$25,000.

Based on this information, the point of discussion is whether the most prudent direction is to continue to gather information, invest funds in repairing the existing roofs, or plan for complete roof replacements. Mr. Craig reminded the Board that the HOA has not experienced any roof leaks, but that visible wear on the roofs, as well as input from several local contractors, is what has generated this discussion regarding roof replacement. Given the cost and scope of such a project, at least 2-3 years will probably be needed to bid the project, select a contractor and assess the funds to pay for it.

After discussion Mr. Wagman recommended that the Board consider hiring an architect and a roofer to begin the replacement planning process. Mr. Wagman recommended Mr. John Galambos as a candidate for providing the architectural service for this scope. The questions to answer are what are the options? What are the pros and cons of each recommended option? Which contractor for the roofing work would he recommend? The board directed Mr. Craig to proceed with this strategy.

IV. New Business

A. Assessment/Budget 2016

Mr. Craig provided a summary of the budget year proposal. Assessments for each Phase are proposed to nominally decrease. Mr. Schmitt made a motion to approve the budget as presented. Mr. Anderson seconded, and the motion was passed via voice vote.

Mr. Wagman asked that management confirm that the HOA is a named insured on the East Village Master policy. Mr. Craig will review and confirm.

If the roofs are to be replaced, if a different finish material is selected that may reduce the risk of a potential fire, versus the existing wooden shakes, would that result in any premium reductions? Management will ask this question of the insurance agent.

Mr. Wagman asked about the Snow Removal budget, in consideration of the expectation of an El Nino weather year. Mr. Craig advised that management will react, as necessary, should additional services be needed.

B. Budget & Financial Review 2015

The Reserve Fund balance is expected to be at \$677,639 at year-end 2015 (prior to any proposed operating fund surplus transfer), and it is expected to grow to \$783,299

by year end 2016.

Of the \$677,503 projected budget year-end balance of the Reserve Fund, \$98,764 is currently allocated as collected for roof replacement.

C. Adoption of Collection Policy

Per a State of Colorado regulation that went into effect in 2015, the HOA is required adopt a written Collections Policy for homeowners that become delinquent in their HOA assessments. The regulation specifies a written notice period, as well as a requirement to offer a payment plan for homeowners to bring their account current. With the assistance of an attorney, the Board has been provided with a draft of a Collections Policy for approval to bring the HOA into compliance with this regulation.

Mr. Wagman made a motion to approve the Collections Policy as written. Mr. Anderson seconded and the motion was passed via a voice vote. Mr. Craig will post the new Collections Policy on the HOA website.

Mr. Wagman asked that we send the new policy information to the members.

D. Adoption of new Management Contract

Per the State of Colorado regulations that went into effect in 2015, Snowmass Lodging Company has been required to draft a modified Homeowners Association Management Contract for the Owl Creek Homes Association. The terms of the contract between SLC and the Owl Creek HOA will remain the same, in terms of the length of the contract, notice to terminate, and the management fee. The new contract specifies certain responsibilities and notice periods that were not part of the previous contract.

Mr. Schmitt made a motion to approve the new management contract. Mr. Wagman seconded and the motion was passed via voice vote.

E. Schedule & Agenda for Annual Owners Meeting

The annual meeting is scheduled for December 30, 2015, at 4:00 pm. The meeting can be held at either The Enclave or Woodrun Place, depending upon availability of either meeting room. Directions will be provided in the Notice of the Meeting to the members.

F. Other New Business

Board elections

Mr. Craig noted there has been one vacancy on the Board since Mr. Lattoff sold his home in 2015. In addition, the terms of Mr. Barnes, Mr. Anderson, and Mr. Schlesinger expire at the end of 2015. Homeowner, Richard Romanski, has formally expressed interest in joining the Board.

G. Adjournment

Mr. Anderson made a motion for adjournment. Mr. Schmitt seconded, and the motion was passed. The meeting was adjourned at 10:58 A.M.

Submitted by,

Mr. Schmitt, Secretary