

Wood Creek Homeowner's Association  
Annual Homeowner's Meeting  
July 6, 2011

MEMBERS PRESENT

Robert and Judith Harrison  
Charles Farrell & Janene Blue  
Cynthia Lavin  
Charles Kerr  
Dan McElroy  
Donna & Ron Hayley  
Rodolfo & Ada Suarez  
Ron Kindlesperger

Management Company

Lynn Kiklevich  
Toni Wilson  
Jason Fries

Meeting was called to order at 9:48 am.  
Quorum was established as follows:

<u>Unit</u>	<u>Owner</u>	<u>Attending/Proxy</u>	<u>Ownership Percent</u>
WK101	Marr Properties	Absent	
WK102	MJM Investments	Absent	
WK103	McElroy, Daniel and Janice	Present	2.85
WK108	William Pateon Hensley	Absent	
WK109	William Pateon Hensely	Absent	
WK201	Patricia Anne Cisle	Proxy to Robert Harrison	4.10
WK202	Lowell & Kathy Johnson	Absent	
WK203	Owen & Cynthia Lavin	Present	2.90
WK204	Thomas Marsten & Lisa Fitzpatrick	Absent	
WK205	Ferrall Charles & Blue Janene	Present	2.85
WK206	Christopher Grote	Proxy to Robert Harrison	2.10
WK207	Scott and Edwin Anderson	Absent	
WK301	Barbara Powell	Absent	4.15
WK302	Donald Dougan	Absent	
WK303	Christopher Grote	Proxy to Robert Harrison	2.95
WK304	Woodcreek Factors c/o John Dagostino	Absent	
WK305	Assn, Federal National Mortgage	Absent	
WK306	Joesph & Janice Foerch	Proxy to Donna Hayley	2.15

WK307	Ronald & Donna Hayley	Present	4.10
WK401	Durling, Henson, O'Farrell & Coffe	Absent	
WK402	Gary & Claudia Ford	Proxy to Robert Harrison	5.40
WK403	Rodolfo & Ada Suarez	Present	5.40
WK404	Barbara A Kindelsperger Trust	Present	2.95
WK405	Jo Mudd	Absent	2.95
WK406	Phillip Borchelt	Absent	
WK407	Scott Stagner	Proxy to Robert Harrison	4.15
WK504	Robert & Judith Harrison	Present	5.40
WK505	Russell & Felicity Willings	Absent	
WK506	Guzzi, James F	Present – Call In	2.25
WK507	Charles Kerr & Gudren Rice	Present	4.20
			60.85

MOTION: by Robert Harrison to waive the reading of the July 7, 2010 annual meeting minutes and accept as written.

Seconded: by Ron Kindelsberger

Vote: Unanimously Approved.

## REPORTS

### President's Report

The board president Robert Harrison began the meeting by way of introduction and then welcoming all who attended the meeting. Introductions continued around the room of the homeowners and management that were present.

Robert reported that the building and grounds were in very good condition and the financial reports are encouraging. Robert reported that as of May 31, 2009 cash on hand was 37,079.00 and as of May 31, 2011 cash reserves were \$80,093.00. Capital reserves have increased from \$43,096.00 as of May 31, 2009 to 61,162.00 as of May 31, 2011. Operating expenses have remained the same as well. This is an advantage for homeowners who have their units listed as lenders look at the financials when considering loans. Robert paid compliments to the entire staff of CBMR Properties for a job well done

## Manager's Report

### Recap of 2010-2011

The summer of 2010 was the best on record for tourism at Crested Butte Mountain Resort. Continued improvements to the bike trail system and the Adventure Park, along with additions of summer events and concerts really boosted visitation in Mt. Crested Butte. The LIVE! From Mt. CB concert series, the Bluegrass Festival and the 4<sup>th</sup> of July concerts and fireworks were all huge hits and will make return appearances this summer.

For the first time since the 2005-2006 ski season, CBMR saw an increase in skier visits. Both pass holder and regular paid skier visits were up this year and we are confident we have some momentum going into next winter as well – with group business already pacing significantly ahead of where we were at this time last year.

The Wood Creek rental program also got a boost – realizing an increase in revenues last year of 7.5%.

### **Changes at CBMR Properties**

Bill Babbitt left CBMR in early April to pursue his long time dream of living in Hawaii. Bill did a terrific job in the short time he was with us and will be missed. Lynn Kiklevich has assumed Bill's duties for at least the next 12 months.

Eli Haine departed the company in April as well, and his duties are being shared by Jason Fries and Todd Burnett. Jason was with CBMR Properties for many years up until 2007 and Todd was Eli's assistant for the last year. Jason is now the Chief Engineer for all of CBMR Lodging – a deserving promotion for him.

### **Summer 2011 Update**

In addition to the music events, Mt. Crested Butte and CBMR will be hosting several large bike races this summer that will bring thousands of participants and spectators up to the mountain.

June 12 was the start of the annual Ride the Rockies bicycle tour and this year the starting location was Mt. Crested Butte! More than 2000 riders and their families arrived Saturday, June 11 and than began their 6 day journey through Colorado the next morning.

June 23 was the start of Crested Butte Bike Week (formally Fat Tire Bike Week), the highlight of which was the Wildflower Rush downhill race on Crested Butte Mountain and in late July, the upper valley will play host to the last qualifier for the famous Leadville 100 bicycle race. This will bring nearly 1000 top mountain bikers from all over the country to Crested Butte and Mt. Crested Butte for 3 days. Many will then stay on to train until the Leadville 100 in early August. Capping it off will be the US Pro Cycling Challenge, which finishes its first stage in Mt. Crested Butte on August 23. This event will include the top professional cycling teams from all over the world – fresh off the Tour de France. We are hoping to also host several of these teams for some high altitude training time before the race begins.

The newest addition to the Adventure Park, the Canopy and Zip-line tour is scheduled to open on June 28. This will be a year-round attraction.

### **2011-2012 Ski Season Update**

The season opens on November 23 this year – the day before Thanksgiving. We've already booked some big groups, including the National Brotherhood of Skiers and the Flatlanders Ski Council. Group bookings for CBMR Properties are up 30% over last year at this same time.

The airline schedule is still being finalized by the RTA, but CBMR has secured a daily 757 from Dallas on American Airlines. We anticipate that the RTA will finalize the United and/or Continental service soon and we should be able to announce this at the meeting. The merger of those two airlines has complicated negotiations.

### **Maintenance Report**

The overall condition of the building and grounds at Wood Creek is excellent. The lawn and landscaping at the project really make it stand out among other properties in Mt. Crested Butte.

Completed projects around the property since the last annual meeting include:

- Replacement of all entry thresholds
- Painting of all the landscaping tie walls around the property
- Construction of new planter box and street side bench
- Irrigation system upgrades and installation of some additional sod and wildflowers on the north side of the property
- Upgrade to the wireless internet system – a big improvement!
- Replacement of dry-rot window frames in unit 505
- Refinished the conference room doors and trim
- Installation of timer switches for the lights in the common areas

The elevator continues to perform well, with only one unscheduled service call this past year.

#### Comments/Discussion

The As everyone knows the elevator at times will become temporarily out of order as it previously did a few days prior to the Annual meeting. Management does have a standard operating procedure that goes into effect when the elevator does have a malfunction. Signage will be placed on the elevator stating temporarily out of order including contact information for assistance.

Projects “in-progress”:

We are working with a local graphic design company on some options for a new logo and sign for the building and with Blue Diamond Pool and Spa on an upgrade to the hot tub. These proposals will be presented to the board of directors and we will have an update for the Owners at the July 6 meeting.

## **FINANCIAL REPORT**

### **Balance Sheet**

At May 31, 2011, the balance sheet reflects total cash on hand of \$80,093, \$18,931 in operating cash and \$61,162 in the capital reserve account. Accounts receivable totaled \$9,478 and Accounts Payable was \$6,668.

The accounts receivable aging report as of May 31, 2011 reflects four units with 90 day balances. Liens have been placed on these units and the owners have received demand letters from the Association’s attorney. We will continue to monitor these accounts and manage them aggressively. Lynn reported that a lien will be filed on the unit if the unpaid balance reaches 45 days past due. This action will protect the HOA in the case of a foreclosure as the HOA will have super priority that ensures the HOA to collect up to 6 months of dues should there be a foreclosure proceeding .

**Income Statement** – Significant expense variances are as follows:

Cable & Internet – This account is over budget by approximately \$1000. It appears that there were a couple of unbudgeted expenses related to the new system installation and that the monthly service costs also went up slightly.

Contingency – This account is over budget by approximately \$2,200. Items posted to this account include:

1. Entry threshold replacement in all units- \$3,296 (approved, but unbudgeted)
2. Painting of all the landscaping tie walls around the property - \$1,813
3. The new planter box and street side bench - \$1,200 ( approved, but unbudgeted)
4. New logo mats for the lobby entrances - \$895

Elevator – Under budget due to fewer service calls than anticipated.

Landscaping – Over budget by approximately \$4,000. This is due to approved, but unbudgeted upgrades to the irrigation system and installation of additional sod. Irrigation

upgrade was \$3,175. This will be off-set by projected savings in Maintenance Labor and Maintenance Supplies.

Capital expenses were \$12, 769 compared to a budget of \$13,600.

We are projecting that the association will finish their fiscal year with \$153,012 in total operating expenses, which will result in a negative operating net margin of (\$624). With capital expense, the total net margin will be \$13,522.

Donna Hayley commented that she was very impressed with the way management handled the additional projects that were completed. Although these additional projects were not included in the 2010-2011 fiscal budget the management of the budget was exceptional with an end result of the HOA only being \$624.00 over budget.

**Approved 2010-11 Capital Projects Per 6 Year Plan**

<b>Item</b>	<b>Budget</b>	<b>Actual</b>	<b>Notes</b>
Roof Membrane repairs	\$ 1,000	\$ 325	
Internet Equipment Upgrade	\$ 9,600	\$ 9,415	
Replace Dry-rot Window Frames	\$ 3,000	\$ 3,029	WC505 upstairs bedroom
<b>2010-11 Total Capital Projects</b>	<b>\$ 13,600</b>	<b>\$ 12,769</b>	

## **2011-12 Fiscal Budget**

### **Revenue**

The approved 2011-12 budget reflects total operating revenues of \$178,398; flat to last year. *The operating and capital assessments will remain the same as last year*, which results in a budgeted net operating margin of \$2,675 and budgeted net capital contribution of \$1,357.

### **Operating Expenses**

The cumulative operating expenses are budgeted to be \$3,793 less than this year’s projected actual expenses. Line items that were adjusted from actual include:

**Contingency** – This account is over budget this year, however, management proposed keeping the budget the same as last year.

**Hot Tub Supplies** – budgeted for a new hot tub cover at \$700.

**Insurance** – the board approved some changes to the insurance policy this year that improved the overall coverage for the property, while reducing the increase to the premium from 7.5% to only 3.2%. A summary of these changes is included in this section. Some of the changes included raising the deductible from 1,000.00 to 5,000.00 which allowed the HOA to increase coverage for back up sewer & drain and additional cost of construction. Liability coverage was increased from 1,000,000 to 2,000,000.

**Maintenance Labor** –this account has been reduced to reflect the average of the past two years of actual expenses.

**Trash Removal** – this budget has been reduced to reflect continued savings realized from re-negotiated contract and close monitoring of dumpster pick-up frequency.

### **Capital Expenses**

**The capital budget has not been approved by the Board at the time of this printing, as the board directed management to conduct some additional research. We anticipate that the board will approve a final budget prior to the meeting and we will present it to the homeowners at that time. An updated capital budget for fiscal year 2011-2012 was handed out at the meeting.**

**TOTAL Proposed Capital** **\$25,500**

Management proposed a deferment of the \$15,000 budgeted for upgrades to the elevator. The elevator is functioning well, and is budgeted for complete replacement in just 3 years anyway. Instead, Management strongly suggests that the Association accelerate the hot tub replacement that is currently in the plan for FY2014. Your hot tub is only a residential grade tub, and it is very difficult and expensive to maintain in a commercial setting.

Also included is \$4,000 for the design and construction of a new sign for the property, 3,000 for exterior painting and staining, \$3,000 to re-key the entire building and 1,500.00 for asphalt repairs.

### **Decks and Railings**

The board of directors has asked management to come up with an estimated cost to upgrade the balcony decks using a treks product. The CBMR Properties maintenance department will replace the material on one of the unit decks in order to get a cost estimate to do all of the decks in the building. The railings need to be upgraded as well as they are not up to code and some of them are leaning a bit. Management will do some research on the cost for this project as well. Some of the owners are concerned about the windows as well as the south facing units get a lot of exposure and feel the window

frames need to be redone. Jason will take an inventory of the windows that do need to be redone.

### **Old Business**

#### **Woodcreek Logo**

Last year the owners discussed redesigning the logo to reflect the current brand of the resort and to bring a fresh look to the building as the current logo is outdated. Lynn presented some of the logo's that were designed by a local company. After a lengthy discussion amongst the owners it was apparent that a majority of the owners liked the A version the most but would still like to see a fresher look. They felt that there was too much of the older logo incorporated into the new logo. In order to cut down on the cost of a new log design Jim Guzzi offered to talk to his daughter's art class to see if they would be willing to design a new logo sign as an art school project. It was decided to put the project on hold in order to give Jim time to talk to the art class. It was decided to pay the designer for the work that has been done and to move \$3,000.00 of the money that was budgeted for this project to contingency until more information is gathered.

#### **Rekeying**

It has been about 8 years since this was done. There have not been any issues such as unauthorized entry or other known issues reported. If an owner would like to rekey their unit they will need to contact management to make arrangements as the new unit key needs to be rekeyed to the master.

#### **Jacuzzi Tub**

The new Jacuzzi tub will be a larger commercial grade and will be able to accommodate the number of the owners and guests that live or vacation at Woodcreek. It will be heated by gas so the cost of the gas bill will increase however the electric usage and cost will be substantially less.

#### **Management Fees**

The CBMR Properties management fee will not be increased this fiscal year.

#### **Snodgrass**

At this time the development of Snodgrass Mountain has been put on hold. Although there is going to be a changes in the forest service as two of the key decision makers that did not allow the NEPA process to move forward Rick Cables and Charlie Richmond are leaving their positions there has not been any communication that CBMR is going pursue the development of the mountain at this point.

#### **Wood**

Jason announced that if there are owners who would like to purchase wood for their units CBMR Properties can provide this service. The cost per ½ cord of wood is \$100.00.

**Election of Director**

There was one board seat a three year term up for election this year previously held by Donna Hayley who is retiring from the board.

Donna nominated Jo Mudd who is the new owner of Woodcreek 405 for the seat that is up for election on the board. Donna spoke for Jo in her absence as Jo had a last minute change in plans and was not be able to attend the meeting. Jo was born in Grand Junction Colorado and is currently living in Alabama. She is a lawyer, owns a gourmet catering business, owns properties throughout Colorado and has served as a board member with a couple of non profit organizations, Donna has found that Jo is easy to work with she is professional and will be a nice addition to the Board of Directors. There being no other nominees at this time Donna Hayley made the following motion.

Motion: by Donna Hayley to elect Jo Mudd to the board of directors three year term seat.  
Seconded: by Ron Kindelsperger  
Vote: Unanimously Approved

**New Business**

**Parking Passes**

CBMR Properties will issue parking passes for owners and guests staying at Woodcreek. To obtain a parking pass please stop by the Front Desk which is located at The Plaza.

The next annual meeting date was set for July 3rd, 2012 at 9:30am MDT.

Robert Thanked Lynn, Toni and Jason for all their work they have done for the past year. He also wished Lynn a Happy Birthday.

There being no additional business there was a motion by Robert to adjourn the meeting, seconded by Charlie Kerr, unanimously approved. The meeting was adjourned at 11:45AM.

Respectfully Submitted,

Approved by,

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Antoinette Wilson  
Homeowner Liaison  
CBMR Properties

\_\_\_\_\_  
Jo Mudd  
Secretary/Treasurer