

**WOOD CREEK CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNERS MEETING
JULY 13, 2004 – 9:00AM**

MEMBERS PRESENT: Robert and Frances Mannix
Roy Fewell
Sara Morgan
Ron and Donna Hayley
Charles Kerr
Ron Kindelsperger
Robert and Judith Harrison
Rodolfo and Ada Suarez
Donald Dougan
Brad English

MANAGEMENT COMPANY: Lynn Kiklevich
Jim Cassaro

Roy Fewell, President, called the meeting to order at 9:10am. A quorum was established with 64% of the members represented in person or by proxy. Proof of Notice was established as being mailed on June 7, 2004.

<u>Unit</u>	<u>Owner</u>	<u>Attending/Proxy</u>	
WK101	Tuzee, John and Diane	Proxy to Sara Morgan	4.10
WK102	MJM Investments		
WK103	McElroy, Daniel and Janice		
WK108	RQI		
WK109	RQI		
WK201	Cisle, Patrica Ann		
WK202	Johnson, Lowell and Kathy		
WK203	Zapor, Theresa		
WK204	English, Sharon	Attending	2.85
WK205	Lindstrom, Richard and Katherine	Proxy to Roy Fewell	2.85
WK206	Grote, Christopher		
WK207	Anderson, Edwin & Scott		
WK301	Powell, Barbara	Proxy to Bob Mannix	4.15
WK302	Dougan, Donald	Attending	3.00
WK303	Nickels, Edward and Pamela		
WK304	Fewell, Roy and Sheila	Attending	2.90
WK305	Spearman, Glenn		
WK306	Foerch, Joseph and Janet		
WK307	Mannix, Robert and Frances	Attending	4.10

WK401	Aylsworth, John and Kathleen	Proxy to Roy Fewell	4.20
WK402	Kelly, II, Charles F.	Proxy to Bob Mannix	5.40
WK403	Suarez, Rodolfo and Ada	Attending	5.40
WK404	Barbara A. Kindelsperger Trust	Attending	2.95
WK405	Hayley, Ronald and Donna	Attending	2.95
WK406	Borchelt, Phillip		
WK407	Morgan, Sara	Attending	4.15
WK504	Harrison, Robert and Judith	Attending	5.40
WK505	Sherman Street Holdings, LLC	Proxy to Lynn Kiklevich	5.40
WK506	De Laura-Patchett/Michelle		
WK507	Charles Kerr & Gudren Rice	Attending	4.20
			64.00

Roy then announced that his unit was under contract for sale, so he would be stepping down as President. Roy then introduced John Norton, President and CEO of Crested Butte Mountain Resort who had been invited to speak on current events concerning the ski resort.

John began by stating that the ski industry was strong overall and that Crested Butte has much to look forward to since the sale of the resort to the Mueller family on March 1, 2004. The new owners are investing \$6.5 million into the mountain this year – focusing on the skiing product first. John explained that there are two things holding Crested Butte back:

1. Lack of intermediate terrain
2. Lack of a quality bed base

He went on to congratulate Wood Creek on their renovation and explained that market research shows that when people vacation, they like to stay in places that are as nice or nicer than their own home. Skiers especially fall into this category because skiing is a fairly expensive sport – so skiers tend to be in the higher income levels.

John then went on to outline the mountain improvements in progress this summer, which include:

- Snowmaking on International and the intent to groom this run every night.
- A Super Pipe on Forest Queen – pending Forest Service approval
- General “spruce-up” of the base area including landscaping, new signs, new lift houses, paint, etc.
- Remodel of Paradise Warming House and the Hall of Fame restaurant
- Installation of the Prospect Lift – 4 new intermediate runs

John told the group that the resort was moving quickly on a design for the Town Center and an expansion onto Snodgrass Mountain. They hoped to have a Town Center plan in front of town officials by September, and be breaking ground on the first building next

spring. In addition, they are starting the EIS process on Snodgrass and if all goes well, John thinks we will be skiing over there by 2006-07.

The next guest speaker was Brad English, Wood Creek homeowner and local real estate agent. Brad began by thanking the board members for all their hard work on the renovation project. He said that the improvements look great and are vital to the overall value of everyone's investment. He went on to state that upgrades to both the exteriors and interiors are very important for re-sale value. The buyers in the current market are older, with relatively high incomes and they are looking for modern décor in the units that they are purchasing.

Brad then passed out a packet of info with some charts illustrating recent real estate activity in Mt. Crested Butte. The information showed an average of 30% increase in value over the last 6 months. The current market value at Wood Creek is \$276 per square foot.

Roy thanked Brad and then asked everyone to introduce themselves again due to some latecomers during the guest speakers.

Bob Mannix then made a MOTION to combine the homeowners meeting and the board meeting.

Rodolfo Suarez seconded.

Unanimous approval.

Ron Kindelsperger then made a MOTION to approve the minutes from the July 1, 2003 homeowner meeting and June 21, 2004 board meeting.

Mr. Suarez seconded.

Unanimous approval

OFFICERS REPORT

Roy Fewell stated that the association had made a positive move in acquiring CBMR Properties as the manager of the HOA. Some owners chose to stay with Resort Quest, but most made the switch to CBMR. Roy said that CBMR has done an excellent job to-date. They have had some unique challenges in terms of the age of the property, the recent remodeling, and many new owners. Roy went on to say that the performance of the previous company was unacceptable so the board served notice to them. After a struggle to be released from our contract, we were able to transition to the new company on May 1. The appearance of the property is much improved, the housekeeping in the units is also much improved.

Roy then explained that the board had approved a 20% increase in dues at their June 21 meeting. He stated that this increase is not associated with the management change – but with the fact that the association had not increased operating assessments in over 20 years. Roy handed out examples of assessments at other properties compared to Wood Creeks assessments. This example illustrated that Wood Creek was in the middle range of

assessments – some properties were higher and some lower. Roy explained that the board had reviewed the budget in detail and felt it was reasonable. Some of the improvements made to the property do require more maintenance which has increased our budget along with 20 years of inflation.

Bob Mannix then reiterated that the budget increases are not related to new management. He explained that over the 3 years electricity has increased \$2,000, Insurance has increased \$7,000 and water & sanitation has increased \$3,000. Management fees are only \$600 more.

Charles Kerr asked if the association had a water conservation program since the building was now metered for water. Jim Cassaro responded that the association pays a flat rate unless they have excessive use. That has never happened.

Ron Kindelsperger noted that the board had first indicated that all owners must switch to new management company, but then changed that. He inquired as to how many owners went with CBMR. Lynn responded that 18 owners are with CBMR, she thinks 5 are with RQI and one unit is a mystery at this point.

Roy then explained that historically the complex had only one manager, but came to the conclusion after consulting legal counsel that that policy was unenforceable. He said that the board could make a recommendation and tell of their experiences and he did want to stress that the entire board switched to CBMR, which speaks for itself.

MANAGERS REPORT

Lynn presented the managers report as written in the meeting book. There were no questions.

FINANCIAL REPORT

Lynn presented the financial report as presented in the meeting book. There were no questions.

OLD BUSINESS

Bob Mannix circulated a hand-out with key points relating to the new Association Management Agreement with CBMR Properties. This handout is included with these minutes.

Charlie Kerr asked if exterior patio lights belong to the association. Jim responded that they do. Bob Harrison asked about the window screens– they are white and the complex is brown. Any chance we could change this? Jim responded that the screens were the property of the association. The members could certainly vote to change them – but it seems the property has other more pressing issues at this time. The group agreed.

Bob Mannix then circulated a hand-out itemizing the renovation budget vs. actual expenditures to-date. This hand-out is included with these minutes. Bob explained that these are the numbers after the Association receives reimbursement of a large over-payment by Resort Quest to the contractor.

Charlie Kerr then thanked the board all the detailed work they did on this project.

Bob then move the discussion to the Atrium Walkway project. He referenced the letter sent to all owners on July 2 and then reviewed each of the questions and answers pertaining to dry rot addressed in that letter. Bob then passed out another hand-out illustrating the extent of the repair on each floor and outlining options presented by the engineers to correct the dry rot problem and repair the walk-ways. Bob explained that they had originally planned to go with Option B, but after review by Roy, discovered that it did not meet fire code. The board had already obtained an estimate for Option B – but now will have to go back to the drawing board. The Option B estimate was around \$60,000 – but Bob felt that the project would now exceed that number. Roy stated that he would be meeting with the engineer later in the week to discuss other options.

Don Dougan asked what would happen if a contractor could not be found to complete the repairs this fall. Would the building have to be shut down? Bob responded that they are doing everything possible to prevent that from happening.

Bob Harrison asked how long the project would take once started – and Bob responded that it would take approximately 30 days.

ELECTION OF DIRECTORS

Election was held to fill Roy Fewell's seat on the board – a 3 year term.

Ron Hayley nominated Charlie Kerr

Brad English seconded.

Unanimous approval

Ron Kindelsperger made a MOTION to elect Charlie by acclamation.

Brad English seconded.

Unanimous approval.

Sara Morgan then presented Roy Fewell with a gift from the association to thank him for over 20 years of service to the Wood Creek board.

Roy turned the meeting over the Bob Mannix to conduct an election of officers.

ELECTION OF DIRECTORS

Sara Morgan proposed Bob Mannix as President, Charlie Kerr as Vice President and herself as Secretary/Treasurer.

Charlie Kerr seconded.

Unanimous.

NEW BUSINESS

Bob Mannix proposed term limits for the board of directors in order to involve more owners in service on the board. He proposed two consecutive terms of two years and then a break in service of at least two years before serving again.

Much discussion ensued. Ron Hayley voiced his concern that when you have a very talented board member, you hate to limit their service. Donna Hayley added that you may end up with a very inexperienced board. Ron K. voiced that he would be more inclined to go along with the limits if the terms remained at 3 years instead of 2 years. Roy stated that he thought it was a good way to involve more people and give existing directors a graceful exit strategy when they've had enough.

After more discussion, Bob made the following MOTION:

Wood Creek board members will be limited to two consecutive three-year terms, after which there must be a break in service of at least two years before being eligible for re-election to the board of directors. Any action taken today will be subject to legality under notification requirements of the Wood Creek bylaws.

Ron Hayley seconded the motion.

37.16 % in favor

19.75 % opposed

Motion carries.

Lynn then presented the 2004-05 approved budget as written in the meeting book.

Don Dougan asked when quarterly dues are actually due. Lynn responded that they are due the 10th day of the first month of the quarter.

Lynn then reminded the owners that they will see an adjustment on their next quarterly statement for the dues increase, since it was effective July 1, but approved after the bills for the quarter beginning July were sent.

Don then asked Lynn to explain her idea for internet access for the Wood Creek. Lynn responded that she was in discussions with Adelpia to provide high-speed internet access to the Plaza Condominiums and should be able to implement the same solution for the Wood Creek. The board directed Lynn to work up a proposal and present it to the board as soon as possible.

Lynn then made some corrections to the 2004-05 capital budget that was presented in the meeting book. The corrected capital budget reads as follows:

Atrium Walkway repair	\$60,000 (tentative estimate)
Lobby Tile	8,000
Dumpster Enclosure	1,500
Portico and Hot Tub planters	2,500
Misc. painting left over from renovation	1,000

Payment to DDA for landscaping	<u>1,450</u>
TOTAL	\$74,450

ESTABLISHMENT OF NEXT MEETING DATE

After much discussion, the group agreed on July 6, 2005.

There being no further business before the association, MOTION to adjourn was made by
Brad English
Seconded by Mr. Suarez
Unanimous.

The meeting was adjourned at 1:15pm

Respectfully submitted by,

Approved by,

Lynn Kiklevich

Bob Mannix, President