

Wood Creek Homeowner's Association  
Annual Homeowner's Meeting  
July 7, 2010

MEMBERS PRESENT

Robert and Judith Harrison  
Corbin Marr  
Cynthia Lavin  
Jim Guzzi  
Jan Foersch  
Dan McElroy  
Charles Farrell & Janene Blue  
Donna & Ron Hayley  
Rodolfa & Ada Suarez  
Ron Kindlesberger

Management Company

Lynn Kiklevich  
Bill Babbitt  
Eli Haine  
Toni Wilson

Meeting was called to order at 9:35 am.  
Quorum was established as follows:

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

WK306	Joesph & Janice Foerch	Attending	2.15
WK307	Ronald & Donna Hayley	Attending	4.10
WK401	Durling, Henson, O'Farrell & Coffe		
WK402	Charles F. Kelly, II		
WK403	Rodolfo & Ada Suarez	Attending	5.40
WK404	Barbara A Kindelsperger Trust	Attending	2.95
WK405	Ronald and Donna Hayley	Attending	2.95
WK406	Phillip Borchelt		
WK407	Scott Stagner	Proxy to Robert Harrison	4.15
WK504	Robert & Judith Harrison	Attending	5.40
WK505	Russell & Felicity Willings		
WK506	Guzzi, James F	Attending	2.25
WK507	Charles Kerr & Gudren Rice	Proxy to Robert Harrison	4.20
			54.50

MOTION: by Ron Kindelsberger to waive the reading of the July 8, 2009 annual meeting minutes and accept as written.

Seconded: by Rodolfo Suarez

Unanimously Approved.

## REPORTS

### President's Report

The board president Donna Hayley started the meeting by introducing the board members, herself as acting president of the Board of directors, Robert Harrison and Jim Guzzi who had been appointed to fill the vacancy that was left by the resignation of Charles Kelly. Jim presented the ownership with a brief overview of his credentials and previous experiences. Jim has been a homeowner of 506 since 2004. Introductions continued around the room of homeowners and management. Donna then recognized Charles Kelly for all of his hard work and dedication while serving on the board of directors for the Woodcreek association.

Donna commented on how great the property looks and paid compliments to the entire staff of CBMR Properties for a job well done. Corbin Marr then suggested that the Woodcreek signage be redone with an updated logo design. He feels the logo design is outdated and would like to see additional lighting as well. He would like to see some new photography of the property as well for the web sites. Upon further discussion the owners asked management to get some bids on upgrading the signage logo at the entrance and on the building. Lynn agreed that CBMR will update the photography of the complex once the new logo has been updated.

Motion: by Donna to have management get proposals and bids on updating the logo, signage and lighting of the entrance and building.

Seconded: by Ron

Unanimously approved

## **Manager's Report**

### Skier Days

Crested Butte Mountain Resort finished the 2009-10 ski season with 341,260 total skier days, which is approximately 4.9% lower than 2008-09 season, primarily due to the national recession challenges, a reduction in overall airline seats into the Gunnison Crested Butte Airport, and a less than normal amount of snowfall.

### Mountain Improvements

Last fall, the old Twister warming house was completely torn down, and a brand new structure was rebuilt, called Uley's Cabin. This new high end warming house is home to the popular Ice Bar; and the gourmet restaurant inside is outstanding.

There are no major capital improvements planned for this year such as new lifts or warming houses; however, there are a few smaller improvements worth mentioning. The synthetic ice rink in the new Adventure Park at the Base Area has given way to a new miniature golf course that opened on June 18<sup>th</sup>. The Town of Mt. Crested Butte Downtown Development Authority and CBMR joined together to make this change, which we think will generate much more summer activity at the base area. Also at the Adventure Park are bungee jumping trampolines and a rock climbing tower.

### Snodgrass Expansion

So much has happened in the Snodgrass expansion effort in the past year. In short, the Forrest Service has denied the expansion proposal to enter the NEPA process, and CBMR has appealed that decision. Most recently, the Forrest Service Chief, Tom Tidwell stated that his office would take a look at the appeal, and make a determination in 30 days, which should be sometime in mid-July. Please see the attached Press Release for complete details.

### Airline Service

There have been some changes to airline service for the 2010-11 ski season. New for this coming season will be non-stop service from Houston via Continental Airlines. The service will be via a 737 aircraft, and will vary from 4-7 days a week. American Airlines will continue service from Dallas with two flights per day via smaller regional jet aircraft. United airlines will continue service with 2-3 flights per day from Denver via regional jet aircraft. CBMR and the RTA were not able to negotiate an acceptable agreement with Delta Airlines, and as such there is no longer service from Salt Lake City or Atlanta.

Virgin America Airlines may begin service from San Francisco to Gunnison beginning in December 2010. We should know more about this exciting addition to our air service by mid-July.

### **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:

Repainting of the two laundry rooms has been completed and looks great

New heating units were installed in the two laundry rooms as well.

Seal coating and crack sealing of the parking lot

Touch-up painting of the stucco and siding where necessary

Re-painting of the south facing handrails on unit decks

Complete repaint of the hot tub area

New deck furniture purchased for the hot tub deck area (Donna Hayley)

Repairs to the support footers and columns for the portico

Removal of the barn swallow birds nests

In Progress and Scheduled Projects:

Staining of retaining walls for uniform look

Replacement of front door thresholds

New sitting bench for bus stop is on order

Sprinkler system tie-in to new lawn area on North side

### Wireless Internet

As you may or may not know, there are two broadcast units at Wood Creek that broadcast the wireless network signal for the entire complex. One of these two broadcast units has failed, and is outdated and non-replaceable. Needless to say, the internet signal strength at Wood Creek is poor in some locations.

We have been working with the Board and a local vendor, to have a new system installed. The proposal calls for a modem / wireless transmitter to be installed in each unit, providing superior wireless network signal strength in each unit. Additionally, wireless transmitters will be installed in the lobby conference, and adjacent to the hot tub deck. As of the date of this writing, some of the equipment necessary to complete this project is back-ordered. We are looking into other suppliers and methods to get the new system installed ASAP.

### Elevator

Although the elevator is old, it still continues to function well. We only had one unscheduled service call this past year.

## Maintenance Report Continued

### Roof Repairs

We have budgeted and the Board has approved \$1,000 for minor roof repairs this fiscal year. The roof is in fairly good condition, and should last several more years with annual repairs made.

### Rotting Window Frames

We have budgeted and the Board has approved \$3,000 for replacement of rotting window frames where necessary. This project is scheduled to start in late summer or early fall.

## **FINANCIAL REPORT**

### Balance Sheet

The Balance Sheet as of May 31, 2010, reflects Total Assets of \$81,204, Total Liabilities of \$24,630, and a combined Fund Balance of \$56,574. The Fund Balance has improved by approximately \$23,000 since the beginning of the fiscal year. Cash on hand as of May 31<sup>st</sup> totaled \$53,297, and accounts receivable totaled \$24,611.

An accounts receivable aging report is included in the packet for your review. There are a total of six units that are 60 days or more past due. Of these six, one unit (#402) is in foreclosure through the public trustee's office, and is scheduled to foreclose in mid-July.

The large outstanding receivable related to Unit 304 should be collected and paid by June 30th. The HOA's foreclosure action of Unit 304 resulted in a Sheriff's sale in mid-May, and the unit was sold for \$17,560. This amount will cover the outstanding HOA dues balance, and the legal fees involved in the foreclosure action. We are actively pursuing collections on the other four past due accounts.

### Fund Balances

At May 31, 2010, the Capital Reserve Fund Balance equaled \$55,676, and the Operating Fund equaled (\$102.81). The negative balance in the Operating Fund is the result of a loss carry forward from prior years where operating expenses exceeded assessments. By fiscal year-end, this Fund is anticipated to be positive.

## **Income Statement**

### **Income**

Total revenue as of May 31, 2010 was \$161,054, which represents a minor negative variance to budget of \$143. This variance is the result of late fees exceeding budget by \$2,868, and interest income being under budget by \$1,739. Additionally, miscellaneous income is under budget by \$1142.

### **Expenses**

As of May 31, 2010, Operating Expenses total \$130,869, which is \$16,005 under budget! Capital expenses total \$5,427, and are currently \$1,573 under budget. Explanations of variances of \$1,000 or more in the Operating Accounts are as follows:

Contract Labor: This account is currently \$2,000 under budget due to the fact that we have yet to contract for the annual window cleaning. We do anticipate spending this amount prior to end of the fiscal year.

Electric: This account is \$1,111 under budget due to continued savings from installation of compact fluorescent lights, control of the lobby heat, control of hot tub usage, and control of roof heat tape.

Legal Fees: Legal is \$5,543 over budget, largely due to the judicial foreclosure by the HOA of Unit 304. Donna commented to the owners that management under the direction of the board is keeping a very close look at the AR report moving forward. As of today there are three units that we have placed liens on 402 (in foreclosure), 303 and 206.

Maintenance Labor : This account is \$2,783 under budget, which is mainly due to smoother operations within the maintenance department, and less required general maintenance at the building.

Miscellaneous: Miscellaneous expenses to date are \$875. This account is \$6,625 under budget, as we are in the process of completing, but have not yet completed the specific tasks of upgrading the laundry rooms, replacing door thresholds, painting the handrails, and installing a bench at the bus stop. We anticipate these projects to be completed by fiscal year end, and the budgeted amount to be spent.

Snow Removal: This account is \$4,839 / 34% under budget due to the low snowfall received this past winter. Included in this line item is hand shoveling, snow plowing of the parking lot, and roof snow removal.

Trash removal: This account is \$2,004 / 44% under budget! Our maintenance manager Eli Haine was able to re-negotiate the HOA contract with Waste management to much more favorable terms.

## **2010-11 BUDGET**

## **PROJECTED ACTUAL INCOME AND EXPENSES**

### **Revenues**

Operating assessments are projected to be \$3,558 under budget due to the increase in assessments taking place three months after this beginning of the fiscal year. An increase in assessments was approved last year, but not implemented until October of 2009.

Capital assessments are anticipated to be \$1,848 under the budgeted amount of \$20,000 again due to the delay in the approved increase. The increase was approved at the annual meeting in July, after the quarterly billing had already gone out.

Late fees are projected to be \$2,991 over budget, largely due to late fees charged in relation to the past due amount owed by Unit 304.

### **Operating Expenses**

Total Operating expenses are anticipated to be \$150,795 by year end, which will be \$6,668 / 4.4% under budget. Significant variances in projected operating expenses include Electric - \$1,321 under budget, Legal - \$4,777 over budget, Maintenance Labor - \$2,745 under budget, Snow Removal - \$4,839 under budget, and Trash Removal - \$1,951 under budget.

### **Capital Expenses**

The only capital expense approved for this fiscal year was crack sealing and seal coating of the asphalt parking lot surface in the amount of \$7,000. The seal coating was completed last summer at a cost of \$5,427. However, a final crack sealing will be performed in June at a cost of \$1,500, bringing the account at \$6927, which is \$73 under budget.

## **OPERATING BUDGET**

As a summary, the 2010-11 budget proposes a 4% reduction in Operating Assessments, no change in Capital Assessments, a 4.3% reduction on Operating Expenses, four Capital projects totaling \$14,350, and a Net Margin of \$7450.

### **Revenues**

#### Operating Assessments

As stated above, the budget proposes a 4% reduction in operating assessments. Operating assessments are budgeted at \$150,761, a reduction of \$6,641. This reduction reflects the reduction in overall operating expenses realized this past year. Capita

#### Capital Assessments

We are proposing that Capital Assessments remain at the same level, \$20,000 per year to keep up with the major maintenance projects that will be required over the next few years. Included in the packet is a 10 year capital plan for your review.

### **Operating Expenses**

As stated above, budgeted Operating Expenses are anticipated to decline by 4.3% to \$150,761, to reflect the projected actual expenses from the current fiscal year.

Significant variances from the current budget and items needing discussion are as follows:

Chimney Cleaning: We were directed to ask our insurance company whether chimney cleaning was required as part of the annual policy. Our insurance carrier has informed us that chimney cleaning is not mandatory, but recommends an annual cleaning as a good loss control measure. As your managing agent, we agree that an annual chimney clean is good policy, and have included it in the budget at \$1,800.

Electricity: We anticipate electricity savings from the current budget of about \$977 due to continued savings realized from compact fluorescents, and a watchful eye from management on lobby heat, heat tape systems, hot tub energy, etc.

Hot Tub Supplies: We do not anticipate having to purchase a new hot tub cover in the new fiscal year, thereby reducing this line item by \$700, to \$1,000.

Legal Fees: We have budgeted \$4,000 for legal fees for the new fiscal year, a \$3,000 increase from the current year budget. This is due to anticipated increased legal fees from foreclosures and collections.

Maintenance Labor: The increase budget last year for this account was not totally used, as we are under budget in this line item. We have budgeted \$7,200 for the

new fiscal year, \$1,545 more than the projected actual, and \$1,200 less than the current year budget.

Miscellaneous: We have budgeted zero for this line item. We suggest budgeting miscellaneous projects less than \$1,000 into the contingency account, and projects more than \$1,000 into the capital account.

Snow Removal: Although this account is under budget compared to our projected actual, we recommend keeping the same amount of \$14,100 in the new fiscal year budget just in case we experience a normal amount of snowfall this coming winter.

## **CAPITAL RESERVES / EXPENSES**

### **Capital Reserves**

As noted above, Capital Assessments are budgeted at \$20,000 for the fiscal year, as a result of discussion at last year's annual meeting. Included in the packet is a 10 year capital plan prepared by management with estimates and timelines for major maintenance projects over the next ten years. We have made adjustments and additions to the plan that was presented last year.

### **Capital Expenses**

We are proposing four projects for the upcoming fiscal year:

Capital Reserve Study: We propose that the HOA hire a professional company to study the anticipated costs of major capital projects required in the future. Once the projects are identified, and the costs estimated, then capital reserve collections and assessments are analyzed and further recommendations are made. The cost is \$3,850.

Roof Membrane Inspection and Repairs. We anticipate that this year's inspection of the roof membrane will reveal that certain repairs be made. Making small repairs on an annual basis can extend the life of the roof membrane. We have budgeted \$1,500 for the repairs.

Internet Equipment Upgrade. One of the two repeaters at the complex has failed, and does not work at all. That particular repeater is no longer manufactured, and we can not find a replacement. We are proposing to install a new system with a local company that can service the system when needed. We anticipate this can be done for \$2,500.

Replacement of rotting window frames: Many window frames at Wood Creek have deteriorated, and need replacement. Due to many unknowns of what will be encountered once the window frames are opened up, this is a difficult project to budget. We have budgeted \$3,000 this fiscal year, and have two more years budgeted in the ten year capital plan. This will be a “time & materials project”, as no contractor wants to give a hard bid on remodel work like this. Once we get a few windows completed, we will have a better idea of actual the costs.

### **Capital Reserves**

As noted above, Capital Assessments are budgeted at \$20,000 for the fiscal year, as a result of discussion at last year’s annual meeting. Included in the packet is a 10 year capital plan prepared by management with estimates and timelines for major maintenance projects over the next ten years. We have made adjustments and additions to the plan that was presented last year.

### **Capital Expenses**

We are proposing four projects for the upcoming fiscal year:

Capital Reserve Study: We propose that the HOA hire a professional company to study the anticipated costs of major capital projects required in the future. Once the projects are identified, and the costs estimated, then capital reserve collections and assessments are analyzed and further recommendations are made. The cost is \$3,850.

Roof Membrane Inspection and Repairs. We anticipate that this year’s inspection of the roof membrane will reveal that certain repairs be made. Making small repairs on an annual basis can extend the life of the roof membrane. We have budgeted \$1,500 for the repairs.

Internet Equipment Upgrade. One of the two repeaters at the complex has failed, and does not work at all. That particular repeater is no longer manufactured, and we can not find a replacement. We are proposing to install a new system with a local company that can service the system when needed. We anticipate this can be done for \$2,500.

Replacement of rotting window frames: Many window frames at Wood Creek have deteriorated, and need replacement. Due to many unknowns of what will be encountered once the window frames are opened up, this is a difficult project to budget. We have budgeted \$3,000 this fiscal year, and have two more years budgeted in the ten year capital plan. This will be a “time & materials project”, as no contractor wants to give a hard bid on remodel work like this. Once we get a few windows completed, we will have a better idea of actual the costs.

Donna asked that communication to the homeowners be provided on a quarterly basis. This can be done via e-mail and on the Woodcreek HOA web site.

**Election of Directors**

There are two terms up this year. A two year term that was previously held by Charles Kelly and a three year term that was occupied by Robert Harrison.

Motion: by Rodolfo Suarez to elect Jim Guzzi for a two year term.

Seconded by Janice Foerch

Unanimously approved

Motion: by Ron Kindelsperger to re elect Robert Harrison to a three year term

Seconded: by Rodolfo Suarez

Unanimously Approved

Donna reported that her term is up next year and she will be retiring from the board.

**ON-GOING BUSINESS**

**New Business**

Donna asked management to send a copy of the Rules and regulations to all the homeowners. The board members have noticed that some of the rules were not being followed and asked management to make sure to enforce the rules and regulations as written.

The board has asked management to take over and maintain the HOA web site. Making sure it is kept up to date with all HOA related information.

There was discussion regarding a designated path from the Jacuzzi area to the Hunter Hill. Some owners have asked about this in the past and would like to have a set path done for the skiers. After discussion it was determined that trying to maintain a path would be very costly due to snowfall and plowing of the street.

Robert reported that as of the last annual HOA firewood inventory is the responsibility of each individual owner.

James Guzzi encouraged the homeowners to e-mail the board members with any ideas, suggestions or concerns that they may have.

The next annual meeting date was set for July 6th, 2011 at 9:30am MT.

There being no additional business there was a motion by Robert to adjourn the meeting, seconded by Rodolfo, unanimously approved. The meeting was adjourned at 11:37 AM.

Respectfully Submitted,

Approved by,

\_\_\_\_\_  
Antoinette Wilson  
Homeowner Liaison  
CBMR Properties

\_\_\_\_\_  
Donna Hayley  
HOA President

