

Wood Creek Homeowner's Association
Annual Homeowner's Meeting
July 3, 2012

MEMBERS PRESENT

Robert and Judith Harrison
Charles Farrell & Janene Blue
Jo Mudd
Charles Kerr
Janice McElroy
Jim Guzzi
Charles Kerr & Gruden Rice
Ron Kindlesperger
Dave and Heather Worthington

Management Company

Lynn Kiklevich
Toni Wilson
Jason Fries
Todd Burnett

The Annual HOA Meeting was called to order at 9:41AM MDT
A quorum was established with 65.75 % representation of ownership either present or by proxy.

<u>Unit</u>	<u>Owner</u>	<u>Attending/Proxy</u>	<u>Ownership Percent</u>
WK101	Worthington	Present	4.10
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	Proxy to Robert Harrison	2.90
WK204	Thomas Marsten & Lisa Fitzpatrick	Absent	
WK205	Ferrall Charles & Blue Janene	Present	2.85
WK206	Christopher Grote	Absent	
WK207	Scott and Edwin Anderson	Absent	
WK301	Barbara Powell	Proxy to Jo Mudd	4.15
WK302	Donald Dougan	Absent	
WK303	Christopher Grote	Absent	
WK304	Prioritize LLC	Proxy to Robert Harrison	2.90
WK305	Jim & Beth Hoenschiedt	Proxy to Robert Harrison	2.90

WK306	Joseph & Janice Foerch	Absent	
WK307	Ronald & Donna Hayley	Proxy to Robert Harrison	4.10
WK401	Durling, Henson, O'Farrell & Coffe	Absent	
WK402	Gary & Claudia Ford	Proxy to Robert Harrison	5.40
WK403	Rodolfo & Ada Suarez	Proxy to Robert Harrison	5.40
WK404	Barbara A Kindelsperger Trust	Present	2.95
WK405	Jo Mudd	Present	2.95
WK406	Phillip Borchelt	Proxy to Robert Harrison	2.20
WK407	Anne Pharamond	Proxy to Robert Harrison	4.15
WK504	Robert & Judith Harrison	Present	5.40
WK505	Russell & Felicity Willings	Absent	
WK506	Guzzi, James F	Present	2.25
WK507	Charles Kerr & Gudren Rice	Present	4.20
			65.75

Motion: by Ron Kindelsperger to waive the reading of the July 6, 2011 annual meeting minutes and accept as written.

Seconded: by Charlie Kerr

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 overall the building and grounds are in very good condition. As always there will be projects to do to keep the building in good shape and components in working order.

Manager's Report

Lynn began her report noting that Wood Creek is showing signs of being 30 plus years in age and there will always be a constant vigil to keep the building in good shape. This will involve the board of directors to help prioritize the projects that need to be done.

Recap of 2011-12

The summer of 2011 was another record season 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 continue to boost visitation and average length of stay in Mt. Crested Butte. The LIVE! From Mt. CB concert series, the Bluegrass Festival and the 4th of July concerts and fireworks were all huge hits and will make return appearances this summer. Also returning to Crested Butte is the USA Pro-Cycling Challenge. CB was one of only three towns chosen to host this cycling tour for two consecutive years.

Summer reservations are again pacing ahead of last year – currently up 7% at CBMR Properties.

Unfortunately, the ski season was also one for the record books – but not in a good way. With only 140 inches of total snow fall (compared to over 400 inches the past two years), skier days fell by 15%. We are hopeful that we can rebound this next year.

Airline Service has been secured for next season and we are very relieved to report that the capacity will remain the same as last year with service from Dallas, Houston and Denver.

CBMR Properties will have 100% of our key personnel returning from the 2011-12 season and we are looking forward to regaining some stability in this area going forward.

Maintenance Report

The CBMR maintenance crew is working on a lot of projects around the Wood Creek in preparation for the summer season. Their “to-do” list includes:

- Touch up painting in all common areas
- Replace/ secure courtyard trex boards - Complete
- Seal parking lot (SealCo) - approved in capital
- Painting of exterior windows both north and south sides - approved in capital
- Unit balcony railing paint
- Paint hot tub deck railings

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- Hot tub shack enclosure siding - complete
- Paint elevator enclosure – complete
- Repair and replace property light sconces
- Clean out housekeeping and maintenance shop and sprinkler room

- Paint maintenance and housekeeping room floor
- Install new grill – complete
- Stain all property tie-walls around building
- Stucco repairs on exterior of property
- Paint stucco
- Replace north end of building cedar boards at foundation
- Property window, screen, and sliding screen door inventory
- Replace or repair exhaust fans on roof of building
- Plumb and install hot tub auto fill
- Finish sauna room drywall repairs - complete
- Fascia painting
- Exterior paint yellow foundation around building – complete
- Balcony reconstruction project – approved in capital and scheduled for late August
- Firewood Inventory/stocking – in progress
- Common area heat tapes and heaters - complete
- Hot tub annual clean - complete
- Install light on hot tub shed w/ photocell
- Order and install hot tub jet signage – sign on order with Sign Guys 6/6/12

The landscaping is looking good, however we are battling irrigation restrictions imposed by Mt. Crested Butte due to our very dry winter and spring.

The owners asked management to make sure the flowers and plants are watered and maintained appropriately.

The owner of 103 also reported that her unit which is on the ground level gets a lot of water damage from the sprinklers. Jason Fries reported that the landscaping crew is going to move the sprinklers away from these areas to alleviate this issue.

The county is currently under Stage 1 Fire Restrictions which means there is a ban on open burning, fire works and camp fires, with the exception of camp fires in established USFS fire pits. The Mt. Crested Butte fireworks display has not been officially canceled and we are hopeful that we will get enough rain by the Fourth of July to keep that show on the schedule of events.

Financial Report

Balance Sheet

At May 31, 2012, the balance sheet reflected total cash on hand of \$78,657, \$17,719 in operating cash and \$60,938 in the capital reserve account. Accounts Receivable totaled \$17,372 and Accounts Payable was \$8,341. The A/R balance was reduced by \$6,000 in the month of June with the 1st payment of two installment payments received from the owner of units 206 and 303, leaving only units 108 and 109 with significant A/R balances.

Discussion

Management reported that they have worked out a resolution with Mr. Hensley who is the owner of 108 and 109. Mr. Hensley is a contractor and has been given the bid to do the balcony deck project. His payment for the project will be paid directly to the HOA. Mr. Hensley's bid came in under the other bids that were submitted by contractors. Jason and Todd will oversee the project as it progresses. Toni will communicate the schedule of the project to owners once the dates are determined.

The HOA asked management to make sure they have documentation of insurance from the Hensley Construction Company and a warranty on the treks decking.

The ownership discussed the possibilities of buying the units in order to incorporate them into the common ownership for use. If the ownership was interested in pursuing purchasing the units, in addition to the purchase price the dues amount would have to be absorbed by the owners. The units are designated as commercial units.

Income Statement

At May 31, Operating expenses totaled \$129,032 which is \$6,690 under budget. We anticipate finishing the fiscal year with approximately \$145,000 in total operating expenses, which is \$5,000 under budget and \$6,000 less than last year.

Significant expense variances are as follows:

Contingency – This account is under budget by \$4,700.

Electric – Over budget by \$2,700. Management installed an electric heater for the hot tub, but didn't budget the additional cost, as this was a change order in September.

Hot Tub Labor – Over budget by \$1,700. Additional labor was incurred immediately following the installation of the new hot tub. This was partially off-set by savings of almost \$900 in Hot Tub Supplies. One of the issues with the additional labor was caused due to a miss wiring of one of the heaters done by the manufacturer of the tub. This was finally discovered at the beginning of January. The company did correct the problem at this time. The maintenance crew had to replace the entire deck as well due to reconstruction.

Discussion

The owners asked to keep the cover on the tub in order to save on heating costs and to keep the tub hot. Jason noted that this may cause more issues than the savings that would be incurred. The cover will probably need to be replaced more often due to being handled more, this does not meet guest expectations if they have to remove the heavy cover and may be a safety issue if guests have to lift it off the tub.

The ownership reported that the tub doesn't stay hot enough. Jason reported that power variances may be some causing the temperature to fluctuate and the tub does have to be drained at times. The state regulation for a Jacuzzi tub is 104 degrees. Jason will look into putting a thermometer into the pipe to read the temperature. Lynn was asked to compare the usage of electricity from this last winter vs. the prior winter.

Legal Fees – Over budget by \$3,000. This is due to the foreclosure proceeding on units 206 and 303 and collection expenses incurred to date on units 108 and 109. The majority of fees related to 206 and 303 will be reimbursed to the HOA as part of the settlement agreement reached with the unit owner and we have also reached an agreement with the owner of 108 and 109 which will include reimbursement of owner costs.

Snow Removal – Under budget by \$5,135 due to a very low snow year.

Capital expenses were \$30,370 compared to a budget of \$24,000.

2011-12 Actual Capital

Item	Actual	Budget
Asphalt Repairs	\$ 1,497	\$ 1,500
Replace Hot Tub with commercial grade tub	\$ 28,103	\$ 18,000
New building logo and signage	\$ 770	\$ 1,000
Contingency	\$ -	\$ 3,000
Re-key the property	\$ -	\$ 3,000

2011-12 Total Capital Projects	\$ 30,370	\$ 26,500
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Fund Balances

Management is projecting that the HOA will finish the fiscal year with a positive operating margin of approximately \$8,000, resulting in a year-end operating fund balance of about \$7,000. The year – end capital fund balance is projected to be \$67,425

FY2011 Audit

The final audit report is included in your meeting book. The audit was clean and no significant adjustments were required.

2012-13 Budget

Revenue

The approved 2012-13 budget anticipates total operating revenues of \$184,037; \$4,000 more than last year. The budget reflects keeping the monthly operating assessments the same as last year, which results in a budgeted net operating margin of (\$1,359). Because the HOA is carrying forward a good operating surplus from this current year, we don't feel that it is necessary to raise operating assessments at this time.

However, the board has approved an increase to the capital assessment of \$450.00 per month bringing the total annual assessment up to \$32,000 which is an average increase per unit of \$15 per month. This recommendation was based on the approval by the board of the deck reconstruction project discussed last year and its impact on the 10 year capital plan. Please see the capital budget section for more information.

Operating Expenses

The cumulative operating expenses are budgeted to be \$8,841 more than this year's projected actual expenses. \$5,000 of this increase is in Snow Removal. Other line item adjustments greater than \$1,000 from actual include:

Contingency – This account is under budget this year, however, management proposes to keep the budget the same as last year.

Electric –this line item has been budgeted a 6.6% increase based on hot tub electricity usage this summer and a rate increase effective in September.

Insurance – the HOA policy renews every March, so this budget reflects the increase to the HOA incurred in March of 2012 and an 8% increase that is expected in March of 2013 based on renewals at other properties throughout the mountain. These increases are due to large losses by the major insurance companies from natural disasters the past two years.

Miscellaneous – The \$1000 increase reflects the purchase of a new natural gas BBQ grill.

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Capital Expenses

<u>Proposed 2012-13 Capital Projects</u>	Capital	Proposed
Item	Plan	Budget
Seal Coat Asphalt	\$ 5,500	\$ 4,700
Paint Exterior Trim/Windowsills - S & W sides	\$ 12,500	\$ 12,500
Roof Membrane repair	\$ 1,200	\$ 1,200
Balcony deck reconstruction	\$ -	\$ 30,000
2012-13 Proposed Total Capital Projects	\$ 19,200	\$ 48,400

The seal coating, painting and roof membrane projects are regularly scheduled projects in the current 10 year capital plan. The balcony reconstruction project was discussed by the board last year and then approved for this fall. The existing decking on most of the balconies has really deteriorated. Each unit balcony will get all new decking, consisting of a composite “Trex-like” product similar to what is currently on your hot tub deck. This material will require very little maintenance and should last for a very long time. We anticipate starting the project in mid to late August and will communicate with each owner regarding the schedule for your particular unit.

10 Year Capital Plan

The current plan was included in this section.

Discussion

James Guzzi asked Lynn if a Capital Reserve study should be done for the building. Due to the size of the property Lynn didn’t recommend spending the money to have this done. The cost is about \$5,000. Although some of the information presented is useful most of it is unrealistic.

Old Business

Elevator

Lynn reported that many of the other buildings that were built around the same time now are going to have to either upgrade or replace their elevators. The estimated cost for the Wood Creek building is 100,000.

This last year the elevator was out of order a few times the longest period was for two weeks. The down time is a result of the components being outdated. This could result in a long period of down time while the parts that are needed to fix the elevator are being tracked down. The board members asked management to notify them if the elevator is going to be down longer than a week due to repairs.

Robert reported that the board did extensive research on the existing elevator and there are parts available through Otis. The recommended option at this time is to continue operating as is until the HOA is prepared to upgrade the unit or it until it quits.

At 11:10AM the Board of Directors excused management from the meeting.

Management was then asked to come back into the meeting at 12:06PM

Election of Directors

There was one board seat a three year term up for election this year held by James Guzzi

Nominations

Robert Harrison nominated James Guzzi to another term. There being no other nominations the following motion was made.

Motion: By Ron Kindelsperger to elect James Guzzi to another term

Seconded: By Judy Harrison

Vote: Unanimously Approved

James Guzzi was appointed by acclamation to another three year board term.

New Business

Rules and Regulations

There were several bikes in the building everywhere on balconies and tied to railings in the walkway. Robert suggested adding more signage throughout the building indicating the rules and bike rack locations. The second floor bike will be moved to the patio area located on the second floor near the elevator. The bottom of this bike rack is rusting and will be painted to avoid stains.

After a lengthy discussion the ownership agreed that additional bike racks are needed. It was decided that a bike rack should be put on each floor as well as out front of the building. Management will put a bike wash station in just above the building on the north side along with a bike rack. The estimated cost per rack is \$300 to \$500.

There are a few existing bikes that have not moved all year. Management will put a note on these bikes asking the owner to contact the front desk. If there is no response the bikes will be removed. Owners that currently have their bikes on the walkways will be grandfathered in until the bike racks arrive.

Real Estate Sale Signs

The ownership agrees that they do not like the appearance of these signs. After discussing this issue the following motion was made.

Motion: By Charles Kerr to change the rules and regulations to state that sale signs are not allowed on the building or grounds.

Seconded: By Ron Kindelsberger

Vote: Unanimously Approved.

Wood Creek HOA Web Site

The owners would like the web site to be updated. Management will contact Donna Hayley or Beverly Ross to gain access to the web site.

5th Floor the wall has a lot of chips and scratches and is in need of being painted. There are some railings that need painted as well. Jason will look into these issues.

Lights

The HOA asked management to make sure lights are turned off around the building during the day.

Exterior Lighting Fixtures

The HOA asked management to research some updated lighting fixtures for the building as it is time to upgrade the fixtures. Some of the existing light fixture covers are broken and there is no replacement as they are out of date.

HOA Requests

The ownership reported that there are a lot of minor issues that they feel should have been taken care of prior to the meeting. They have instructed management to do a quarterly inspection along with at least one of the owners to ensure everyone is aware of any issues that need to be addressed. The ownership also feels the housekeeping department needs to improve cleanliness of the common areas.

Fireplace Cleaning/ Fire Extinguisher Inspection.

Every year management has the fire extinguishers inspected and tagged for safety. This is done in the fall season for Wood Creek.

Unit Entry Door Knob Fixtures/ Access to Hot Tub/Common Area's

The owner of WC101 would like to put a pull door handle on the 1st floor door that accesses the hallway to their unit. They would also like to put a gated access off of their deck for handicap accessibility to the hot tub and sauna area. They have remodeled their unit to be handicap accessible and these improvements would help accommodate their handicap guests. The board agreed to change the door knobs and asked Jason to look into the request for the installation of the balcony gate.

Establishment of Next Meeting

Motion: By Joe Mudd to schedule The 2013 Annual HOA meeting for July 3, 2013.
Seconded: By Ron Kindelsperger
Vote: Unanimously Approved

The next annual meeting date was set for July 3rd, 2013 at 9:30am MDT.

Adjournment

Motion: There being no additional business there was a motion by Judy Harrison to adjourn the meeting.

Seconded: by Jo Mudd

Vote: Unanimously Approved.

The meeting was adjourned at 1:16PM.

Respectfully Submitted,

Approved by,

Antoinette Wilson
Homeowner Liaison
CBMR Properties

Jo Mudd
Secretary/Treasurer