

**Wood Creek Condominiums Owners' Association
Annual Meeting Saturday, July 3, 2021, 9:30 AM
Wood Creek Conference Room**

Meeting Minutes

Call to Order

Jeff Sloss called the meeting to order at 9:32am.

Roll Call/Establish Quorum

In attendance –

Owner	% Ownership	In Person	Call in	Proxy
WC101 - James & Deepa Lounsbury	4.10%		Y	
WC102 - Coates	2.90%		Y	
WC108 - Buchanan	1.05%	Y		
WC109 - Buchanan	0.60%	Y		
WC201 - Kimbrell & Trusheim	4.10%	Y		
WC202 - Joseph & Mary Derr	2.95%		Y	
WC203 - Julie & Lance King	2.90%	Y		
WC204 - Marston and Fitzpatrick	2.85%		Y	
WC205 - Casey	2.85%	Y		
WC207 - Schmidt & Bredsdorff	4.10%		Y	
WC301 - Stelzer	4.15%	Y		
WC302 - Rogers	3.00%		Y	
WC304 - Barbara Amstutz	2.90%	Y		
WC306 - Moore	2.15%			Jeff Sloss
WC307 - Sloss	4.10%	Y		
WC402 - Ford	5.40%			Lucas Brown
WC403 - Charapata	5.40%		Y	
WC404 - Karen Lauren Kristen, LLC	2.95%		Y	
WC406 - Pharamond	2.20%	Y		
WC407 - Pharamond	4.15%	Y		
WC504 - Lucas & Brooke Brown	5.40%	Y		
WC506 - Lypps	2.25%			John Rogers
WC507 - Sprowell	4.20%		Y	

A quorum was established with 76.65% of the ownership in attendance or represented by proxy.

Also in attendance, Wanda Bearth, Lee Friedman and Sierra Bearth, Crested Butte Lodging & Property Management staff (CBL).

Proof of Notice

Proof of notice was mailed, emailed, posted on property and posted to the association's website on June 22nd, 2021.

Reading/Approval of Prior Meeting Minutes

July 3, 2020

J Sloss made the following –

- Motion: Waive the formal reading of the July 3, 2020 meeting minutes and approve as drafted by CBL
- 2nd: A Pharamond
- Vote: Unanimous approval

Reports

Treasurer's Report

W Kimbrell presented the following report –

Dear Wood Creek Owners,

I would like to take this opportunity to advise you of the year's financial results and its effect on cash balances as well as to ensure that you all are aware of the capital projects that are upcoming and can plan accordingly.

OPERATING RESULTS

The year is projected to end with a net operating LOSS of \$8,917. Dues were raised by 6% in 2019-2020 year. However, the 6% increase has not covered our costs as you can see by the losses projected for this year and last year's actual results. Dues will need to be increased 10% in order to cover our costs. The operating costs are comprised of items that are needed for the property to function. There is no fluff. In the current inflationary environment, costs will not be decreasing.

The projection for next year includes increases related to labor costs. This is in line with the mandatory minimum wage increase of 15% for this year. Crested Butte wages tend to run higher as it has become increasingly difficult to replace/find workers due to lack of affordable housing and significant price competition for potential employees.

The ending operating cash balance for June 30, 2021 is projected to be negative at \$2,698. This means that we will have to borrow from the Capital cash account unless dues are raised. The Capital cash account will have a positive balance of \$74,802 at year end.

CAPITAL PROJECTS

Capital dues are sufficient to cover planned items until the parking lot is repaved in 2023-2024. At that time an assessment of \$150,000 will be necessary. If the Owners decide to move forward with the sale of the spa space, the assessment amount will be lower. Any major holes will be maintained as necessary until repavement occurs. With such a head start on planning, the assessment needed can be split into two payments in the 2023-2024 fiscal year. There is also an opportunity to expand the parking lot behind the dumpster another 800 square feet at \$15,000.

There was an unfortunate accident with the elevator involving cleaning the walkways. Water from that exercise found its way into the elevator shaft and damaged sensitive equipment. The repairs were covered under CBL's insurance company and we are expecting it to be operational for July 4th. The complete replacement of the equipment has allowed our warranty to stay intact.

The parking lot repavement project has entered phase two with SGM as the general contractor. We have received three layouts to review and will determine which will be most effective way to utilize our space. The next step is to obtain cost estimates.

The spa space has been assessed to be worth \$195,000 by a local realtor unimproved. There will need to be a vote by the ownership to move forward with listing this property for sale. The space will have to be re-platted, we have contacted SGM to bid on this work. There is \$5,000 in the capital plan for legal expenses connected with this project. The new Owner will be paying approximately \$8,000 in dues annually that will offset rising operating costs and help keep our dues at a reasonable level.

Our declarations document is in need of an update. There is a requirement that there must be 100% approval from Mortgagees to amend the declarations. The HOA lawyer has been consulted about removing this requirement from the declarations which will simplify the process of amending the declarations in the future. As it stands now, the Mortgagees have to be identified and contacted. The law allows for a 60 day response period. After that period expires, you may assume that the Mortgagee approves of the change. The declarations require 67% of the Ownership to move forward with any amendments to the document and 100% approval of the Mortgagees. The assumption is that the Mortgagees will not reply within the 60 day response period.

The retaining walls require replacement as the rail ties are rotting. The recommended solution by SGM in the capital survey was a rock or interlocking block wall that would need much less maintenance and provide more stability. The entryway aesthetics would also be improved. This option is estimated at \$50,000 and is included in the capital plan for 2021-2022. A contractor has not yet been identified that can commit to this project. The hot tub was due to be replaced this year at a cost of \$25,000. It has been determined that it is still in good condition and the replacement has been pushed forward to 2024-2025. The capital plan includes a new cover and some minor repairs at \$5,000.

At the April 10th meeting, the majority of the Ownership voted to replace the flues which are an HOA common property asset. As you are aware, the Board discovered that the zero clearance fireplaces that were recommended by the installer would not function for a flue that was over 30 feet. We have been investigating other zero clearance fireplaces that will operate with longer flues. So far, we have discovered a zero clearance fireplace

that operates with a 50 foot flue. There is also a biofuels option that is being explored that does not require ventilation. Both examples are attached.

To lower the costs for Owners that do not want a wood burning fireplace, a vote to reclassify the flues as individual property could be taken. Legal expenses would be incurred to update the declarations. This action would lessen the cost for Owners as they would not have to replace their flues if they did not want to have a wood burning fireplace. However, this would not alleviate the need to remove the old flues and seal the fireboxes. In the interest of safety, the HOA would reserve the right to continue to inspect all wood burning fireplaces annually and charge this cost to the Owner. The insurance Agency that provides the policy for the building has been contacted with questions about coverage if the flues become individually owned. The Agency did confirm that premiums would not be lowered if we totally eliminated wood burning fireplaces. We continue to search for the best options for this project and welcome any suggestions.

Please let me know if you have any questions or issues that you would like to bring forward at the meeting. I am looking forward to having a great discussion on July 3rd and getting everyone's feedback on the items outlined above. As always, you can contact the Board at anytime by email with your concerns.

Sincerely,
Wanda S. Kimbrell, CPA
Treasurer, Wood Creek HOA

Financial Reports

L Friedman informed the membership that financial statements and full audits can be found on the association's website.

Prior Year Audit- June 30, 2020

L Friedman reported that the association ended the 2020 fiscal year with \$86,270 in available cash. The year ended with a net operating income of negative \$3,741. The association was budgeted to end with a negative income \$8,872. The capital account ended with a net income of \$10,565.

Current Fiscal Year

L Friedman reported that as on May 31st, the association had \$97,113 in available cash. J Sloss explained that the legal fees incurred were related to the research for the flue replacement project and the possibility of changing the owner and maintenance responsibility of the flue. L King requested that the association research switching the water from a bulk account to a metered account.

Excess Income Resolution

The association is not projecting excess income this year.

Manager's Report

S Bearth presented the following report-

1. Parking Lot - CB Lodging and your Board has continued working with SGM Engineers on the parking lot design. We are getting prepared for when we will need to replace the asphalt sometime around 2024, or later.
2. Fire Protection - CBL, with the contractor, recertified and serviced fire extinguishers and the fire suppression sprinkler system. The fire suppression air compressor was upgraded and over 20' of old fire suppression line was replaced in the last year.
3. Plumbing – CBL responded to a few clogs over the year, with two clogs in the main stack requiring the lines to be jetted by a 3rd party contractor. Please let your guests know that “flushable” products don’t disintegrate and should not be used. Only toilet paper should be flushed.
4. Security Cameras – CBL caught a housekeeper (not one of ours) tampering with the security camera in the lobby. CBL was able to recognize and track down the culprit to fine them for the damage.
5. Painting – CBL is continuing to touch up paint around the complex and we repaired the broken trim off the elevator shaft. We also painted the new fire suppression line.
6. Doors-A new door is on order to replace the roof access on the 5th floor. The door to the right of the first floor elevator is also on order.
7. Landscaping – CBL purchased and applied a winter grade fertilizer on the entire lawn last fall. CBL raked and aerated the lawn over May and June. We also cut down and removed any dead or infected aspen branches on the property.
8. Hot Tub – CBL performed a deep clean this spring and is working with CB Hot Tub on replacing some jet covers. A new hot tub cover was ordered back in March, but due to manufacturer delays, it has not arrived yet. Another cover is also on order; we’re hopeful that it lives up to the manufacturer’s claim to withstand our mountain weather. We intend to keep a 2nd cover on hand to use as a backup.
9. Renewals – CBL renewed all annual subscriptions including the website domain, CO Secretary of State, and DORA.
10. HOA Reminders –
 - a. Remodeling – You might not need a building permit from the town for certain renovations but you will always need to get approval from the HOA before performing any remodeling work that will involve any exterior modifications or significant interior work such as (but not limited to) plumbing or wiring or parking a dumpster on site.
 - b. Fire Extinguishers – Western Slope and Fire Safety will be recertifying the fire extinguishers this fall. We will notify all the owners of the date via email. Please have your fire extinguisher placed outside of your unit door on the day of recertification to cut down on the time and cost of the bill.
 - c. Keys – New owner, new code, or new lock, please ensure CBL has emergency access to your unit. In case of leak or other emergency, the

Wood Creek governing documents require the property manager have access. CBL can make copies of keys free of charge.

- d. STR – Please email Sierra@CrestedButteLodging.com for HOA Approval to Short Term Rent
- e. Website – The association’s website is full of information!
<https://www.woodcreeklodge.org/>
 - i. To join the owner directory, (found under Documents > Community & Education) email Sierra@CrestedButteLodging.com the contact info you’d like to be shared.
 - ii. The website is a quick place to find meeting minutes, rules and regulations, insurance information and more. The password is: 400gothic

11. COVID-19 - The Gunnison Valley Public Health Order in response to COVID19 is scheduled to sun set on July 1, 2021. As of this writing, 19,943 doses of the vaccine have been administered in the county, pushing us into the Green stage, with no occupancy restrictions and minimal mask requirements.

Elevator

W Bearth informed the membership that the parts to repair the elevator have arrived and ThyssenKrupp will be on site Tuesday, July 6th, to start repairs and are expected to be completed by the end of the week.

Old/Unfinished Business

Parking Lot Update

J Sloss reviewed the three layout options for the parking lot prepared by SGM. At this time, the Board is considering the third option with a couple adjustments including moving the dumpster closer to the road and water drainage changes. SGM is producing an updated layout to present to the Board. He explained there is an option for expanding the parking lot to make more spaces and inquired if any owners saw or felt a need for more parking. A few owners expressed interest in having a couple more parking spots without making the parking lot larger. A couple owners encouraged the Board to consider electric vehicle charging stations.

Declaration Amendment

W Bearth explained that 100% of lenders are currently required to approve an amendment to the Declaration. The Board is considering an amendment to remove this clause, allowing home owners to make the decision on future amendments.

L King made the following-

- Motion: Begin the process to amend the declaration to remove the lender requirement of approval of Declaration Amendments
- 2nd: R Casey
- Vote: Unanimous approval

Plat

W Kimbrell informed the membership that if the community would like to move forward with selling the sauna area and a small portion of the conference room, the association would have to get a new survey done that would cost a few thousand dollars. After the survey is completed, the legal description will have to be updated and the Declaration with percent of ownership will have to be amended.

W Kimbrell made the following-

- Motion: Engage SGM to amend the plat and engage legal counsel to amend the legal description in an effort to sell the raw space including the sauna area and a small piece of the conference room
- 2nd: R Casey
- Discussion: A special meeting will be held to present the ownership with the new plat and description to be held to a vote
- Vote: Unanimous approval

Flue & Fireplace Discussion

J Sloss recapped that the majority of owners voted to move forward with replacing flues in the April 10th meeting. Before the project began, the Board discovered that the fireplaces had limits on flue height that did not work for Wood Creek urging the Board to cancel the special assessment. The Board has found a fireplace manufactured in Minnesota that might meet the flue height requirement and is researching the possibility of using the Kozy Heat fireplace in Wood Creek. The Board is also researching allowing owners to abandon their fireplaces through a Declaration amendment.

Bathroom & Sauna Area Discussion

Owners expressed interest in having a bathroom put in the conference room for owners and guests to use while enjoying the hot tub. The ownership discussed turning the conference space into storage. This project is on the back burner and up for discussion moving forward.

Meeting was adjourned at 11:50am for a recess. Meeting called back to order at 12:45pm by J Sloss.

New Business

2021 – 2022 Approved Operating Budget Discussion

Budget

W Kimbrell noted the increased revenue on the budget which is due to a 10% increase in operating dues. This creates a projected net income of \$2,579 for the fiscal year. She explained that all labor charges have increased and wages and prices are high in the valley. W Bearth informed the membership that insurance carriers have been pulling out

of the Colorado market due to the high chance of flood or fire. The membership discussed cancelling cable TV for the units.

L King made the following-

Motion: Veto the budget

2nd: R Casey

Discussion: W Bearth explained that the association would revert to the existing budget and CBL and the Board would draft another budget and hold another meeting to present the budget to owners. The membership discussed trying to find areas in the budget where money can be saved.

Vote: 3 in favor, all else opposed, motion does not carry

Cash Flow

W Kimbrell pointed out how the ending operating fund balance has been decreasing since 2017/2018 showing the need for an increase in the operating dues.

Future Capital Projects

10 Year Plan

W Kimbrell reviewed the capital projects planned for this year including a roof inspection, retaining wall replacement, hot tub repairs, and legal fees for the plat amendment and work for the sale of the sauna area space. There is \$5,000 budgeted for the roof inspection which will be completed by Snow Team CB, a sister company of CBL. There is \$50,000 budgeted to replace the retaining walls, but SGM recommended doing the retaining walls at the same time as the parking lot replacement. The total budgeted for capital projects this year is \$65,000. The Board encourages the membership to review the 10 year plan for upcoming projects which might require a special assessment.

Rules & Regulations Reminders

Unit Remodel Requirements

J Sloss reminded the owners that unit remodels require HOA approval using the Home Improvement form found on the association's website. Painting does not require approval, but flooring, plumbing, wiring etc. do require approval.

Driving & Parking

J Sloss stated there are two cars allowed per unit as stated in the current governing docs. Driving on the property is only allowed in the parking lot and absolutely not on the lawn or other areas.

Trash & Nuisances

J Sloss reminded owners that they cannot throw away construction debris or electronics in the dumpster. J Sloss asked owners to be considerate of their neighbors and the rules and regulations.

Unscheduled Business

R Casey made the following-

- Motion: Direct CBL to purchase plastic parking permits for the units
- 2nd: L Brown
- Discussion: The membership discussed any issues
- Vote: Unanimous approval

R Casey made the following-

- Motion: Allow units that are on grade to install a gate on the balcony to gain direct access to their unit

Motion did not receive a second. Motion does not carry. A Pharamond suggested that R Casey fill out an application for home improvement and send to CBL and the Board for review.

J Sprowell requested that CBL check the wire mesh on the unit decks and make repairs where necessary. J Sloss talked about window replacement and clarified windows are owner responsibility and require an approved application for home improvement.

Board of Directors Election

One Three-Year Term Expiring

A Pharamond's term is expiring and she would like to retire from the Board.

Lucas Brown nominated Dustin Charapata.

Lance King nominated himself.

By secret ballot, Dustin Charapata was elected to the Board of Directors.

Establish Date of Next Meeting

W Bearth informed the membership that we should hold the annual meeting before the end of the fiscal year so the budget can be presented before it is enacted.

J Sloss made the following-

- Motion: Move the annual meeting date to the last week of June and hold the next annual meeting on Saturday, June 25, 2021 at 9:30am.
- 2nd: L Brown
- Vote: Unanimous approval

Adjournment

The meeting was adjourned at 2:12pm.