



June 24, 2015

Dear Wood Creek Lodge Owners,

The primary goal of your Board for the past year has been working towards the repair of our building, thereby ensuring its' viability for years to come. Main areas of focus were: the roof, the beams, the stair stringers, the retaining walls, stucco repair, repainting the entire structure and drainage. Since the Board has no expertise in commercial building maintenance, we decided to hire an Engineer to obtain professional advice on the state of our building.

Our top priority was the roof since it was leaking and was well beyond its useful life. We employed an Engineer from SGM to assess our roof and to determine the best replacement materials and processes for a longer life. SGM prepared the specifications and the bid documents for the roof replacement. The roof contract has been signed and installation is beginning today. It will include replacement of drip cap, metal roofs, and gutters with snow melt technology as well as repair of the fascia. The roof will be guaranteed for 30 years and the metal roof for 25 years. The Board is confident that we have contracted for the best product at the best price to ensure a long lived roof solution.

Due to the age of our building, the Board agreed to hire SGM to complete an overall building condition assessment. This assessment aided us in the compilation of this year's capital plan. It identified areas of immediate concern and provided recommendations as to when and how components of our building should be repaired or replaced. Please refer to the condition assessment included in your meeting package for detailed analysis. In our capital plan, we have addressed all of the assets that were singled out by the report as due for replacement or repair. There will need to be an assessment of \$130,000 to finance these repairs and replacements. This assessment can be split, with one payment due in August and the other in February. The Board will defer to the Ownership as to the timing of the collection of this assessment.

At this time, the Board does not foresee the need for further assessments in the next 10 years. Although the conference room, spas and portico do need an update, the Board does not want to overburden owners with additional assessments for items that are not structurally necessary or required for safety. That being said, the capital plan shows that we will have the ability to undertake one or more of these projects in the future beginning in 2018 without additional assessments. We would like to poll the Ownership as to their wishes to proceed with any or all of those projects at our upcoming meeting.

As you are aware, the Board had to raise operating dues by 6% or approximately \$9,500 due to increased operating costs and the write off of owner receivables of \$13,521. We are actively seeking alternatives to mitigate the related cash flow effects and have contacted our Real Estate Agent about the possibility of renting the commercial units. We are currently working with that Owner to allow the HOA to rent the units to cover dues and any maintenance needed on the units. Our updated lobby will play a crucial role in getting these spaces rented, just as it has in advertising for our units that are listed for sale.

We do have some units that have been on the market for quite some time and have not sold and the Board would like to aid those Owners who would like to move on. Unfortunately, both sales and prices are down in Mt. Crested Butte so far this year as per the attached analysis by Crested Butte Real Estate.

Condos & Townhomes – The volume for Condos and Town homes is down 47 transactions YTD in 2015 vs. 57 & 58 in the 2 previous years). The Median Price for Condos and Townhomes has dropped when compared to the same period in 2014 (\$195,000) but is the same as 2013 at \$183,500. The Average Price was \$223,500 compared with \$254,000 in the 2014. As previously mentioned price per sq. ft. is also lower – again likely due to the mix of what sold

<http://www.chriskopf.com/crested-butte-real-estate-market-reports/>

One solution to long term listed but unsold units would be to advertise in Houston markets. The cost to run an ad is small compared to the possibility of non-collection of dues for those who wish to sell. The Board would like to hear opinions from the ownership on this option. CBMR properties will provide the cover shot at no cost. The cost of 1/3 page ad to run in the Woodlands magazine (location of Exxon campus) is \$2,500 for four months.

At our Board meeting this year, we will provide an hour of owner education as required by Colorado law. Mark Payne of Winzenburg, Leff, Purvis and Payne will kick off the meeting with a presentation explaining owners rights as well as the duties of a Board member. It is the Board's hope that all will attend this informative session as we do have a Board position open this year. Serving on the Board is a way to give back to your community while making sure assets are protected, and even enhanced. While this can be a fun and rewarding experience, it is a serious undertaking that safeguards the investments of the community as a whole. Failure to create value in a homeowners association whether it's among its members or property, puts the Association at risk in various ways including legal action. Please submit your qualifications and your motivation to Wanda Bearth in advance of the Board meeting to be included in the HOA meeting materials so that the Ownership can make an informed decision.

Following Mark's presentation, we will hear from Jerry Burgess, our Engineer, who will take us through the building condition assessment and answer any questions that you may have concerning the maintenance of our structure. Afterwards, we will have our Board meeting and then adjourn for lunch.

For those of you who cannot attend the meeting in person, we have the ability for you to call in. The instructions will be included in your packet.

The Board is looking forward to a productive and educational meeting. As always, please feel free to contact your Board members with any issues that you may have. We look forward to speaking with you and value your opinions.

Sincerely,

Jo Mudd, Vice President

Wanda Kimbrell, Secretary/Treasurer