

**WOOD CREEK CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
March 16 2012**

DIRECTORS PRESENT: Jo Mudd (by Phone)
Robert Harrison (by phone)

MANAGEMENT COMPANY: Lynn Kiklevich
Antoinette Wilson
Jason Fries

INVITED GUEST: Michael O'Loughlin

Call to Order: The meeting was called to order at 10:07AM MDT

Quorum was established with two of the three board members present.

Financial Report

Accounts Receivable

At March 1, 2012, the Association had the following accounts at least 90 days in arrears:

101 Marr Properties \$2,186.69

This is the old owner of this unit. His mortgage holder paid off their super-priority lien and then took the unit in the foreclosure. This remaining balance is the responsibility of the old owner Marr Properties. The chances of collecting it are not good, but the HOA could pursue a judgment in small claims court. The balance owed is not enough to justify the expense of a foreclosure action.

Discussion:

The HOA attorney Michael O' Loughlin suggested that the HOA pursue collection through small claims court. Michael outlined the procedure to the board as follows:

1. File claim in small claims court in Gunnison
2. Marr Properties would then be served
3. A hearing is then scheduled.
4. Marr Properties will receive a summons with the time and place to appear.
5. Dependant on whether Marr Properties appears to contest the judgment or if there is a failure to appear a judgment will be entered on behalf of the association.

Once the HOA has the judgment they can file with a collections agency or file a transcript judgment that would lien the LLC. The HOA can collect interest and late fee's while trying to collect. The cost for filing in small claims court is minimal @ \$200.00.

Motion: By Jo Mudd to direct management to pursue collecting the balance due on The Marr Properties account through small claims court.

Seconded: By Robert Harrison

Vote: Unanimously Board Approved

108 Hensley	\$2,554.10
109 Hensley	\$1,170.74

These are the two commercial units that are constantly in arrears. The HOA has had liens in place since this last summer, but have not received any payment from the owner since June. There is a mortgage on the unit and the balance due is relatively low – so proceeding on a foreclosure action is not recommended. However, if the HOA sees value in owning these units, it may be worth having the attorney send another demand letter offering to negotiate a sale or a work-out plan.

Discussion:

Mr. Hensley has a mortgage on the property originating from May 2007, in the amount of 86K.

The board agrees that the HOA could benefit from owning the two units 108 & 109. Some possibilities would be a conference room, locker room or maybe a storage area for owners.

After discussing several possibilities and before making a decision the board will need to consider how the HOA would absorb the dues amount to pay for the space. The board also felt that the owners should be informed of the situation. The board asked management to send a letter to the owners on the subject with the options in order to vote on the subject at the annual HOA meeting scheduled for July 3rd, 2012.

In order to protect the HOA Michael O'Loughlin attorney for the HOA recommended filing a super priority lien. The board directed Michael to send a demand letter to the lender and Mr. Hensley informing them of the intent to collect payment

206 Grote	\$1,090.53
303 Grote	\$6,916.43

Mr. Grote is a chronic offender. The HOA has managed to keep the 206 balance relatively low by applying his rental income to his HOA account, but the

303 balance is climbing steadily. He owns this unit free and clear, so perhaps pursuing a legal action is the way to go in this case.

Discussion:

Michael presented the board with some options in order to collect the dues in arrears from Mr. Grote.

1. Is to file a foreclosure action on the units
2. To file a personal judgment against Mr. Grote

Michael recommends filing a foreclosure action on the units noting that if Mr. Grote does not respond and does let the unit go into foreclosure the HOA may end up owning the units.

Motion: By Jo Mudd to have Michael O'Loughlin to proceed with filing a foreclosure action on both units 206 and 303 under on claim.

Seconded: By Robert Harrison

Vote: Unanimously Board Approved

Michael was dismissed from the meeting at 10:52 AM

All other owner accounts are current.

Income Statement

As of January 31, 2012, expenses were running \$7,361 under budget. The largest savings are in Snow Removal and Contingency. Overages have occurred in several accounts, but with the exception of electric, none of the negative variances are over \$1,000. Electric is \$1,900 over budget, probably due to the installation of the new electric hot tub heaters.

Capital Projects

Capital expenses are currently about \$4,000 over budget, due entirely to the new hot tub installation. There were tow major change orders which impacted the project substantially.

1. With Robert's approval, the decision was made to switch from a gas heater to two electric heaters. Both Diamond Blue and the gas company were very concerned about venting the gas heater directly underneath a unit balcony. The electric heaters cost a little bit less than the gas heater and will save on maintenance and replacement costs going forward, but the required electrical work for their initial installation was more than we had planned.
2. When the old hot tub and existing decking was removed, it was discovered that the trusses and beams holding the deck up on the south side were completely rotten and the deck was actually falling over. The entire support structure for the deck had to be re-built and all of the decking on top had to be

replaced as well. This cost an extra \$5,500 that was not in the budget. However, it is doubtful if the deck would have survived the winter in its current condition, so this was a blessing in disguise. The project is over by about 10k.

The HOA did set aside \$3,000 in contingency funds. In addition, we have not contracted for the re-key of the building yet. Management asked for direction from the board on whether the board would like to ahead with this project or post-poner it due to the account overage? The HOA was not charged extra by Blue Diamond however due to the hours spent by CBMR Maintenance staff to figure out what was going on Lynn is pursuing a credit for the wiring mistake.

The board reported to management that some of the owners were wondering where the Reset Button for the new tub was. It appears that the reset button was installed on the building by the door to the sauna area. There is no signage or lighting in this area. The board would like to know more about the reasoning and would like to have it moved closer to the tub. Lynn will look into this issue.

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 Approved Total Capital Projects	\$ 30,370	\$ 26,500

The board made the decision to postpone rekeying the property for now due to anticipated legal fees of @ \$3,000. Management reported that there has not been any security issues reported.

Next Year's Capital Budget – per the 10 year capital plan

Proposed 2012-13 Capital Projects

Item	Plan	Budget	Notes
Seal Coat Asphalt	\$ 5,500	\$ 4,700	If we sign contract by Friday 3/16, we save \$800
Paint Exterior Trim/Windowsills - S & W sides	\$ 12,500	\$ 12,500	Per the capital plan
Roof Membrane repair	\$ 1,200	\$ 1,200	per the capital plan - unsure yet what is actually needed

2012-13 Proposed Total Capital Projects \$ 19,200 \$ 18,400

Discussion:

Lynn informed the board that United Paving has offered the HOA a discount of \$800.00 if a contract was signed by the end of day. The board directed Lynn to move forward by accepting the discount and signing the contract.

New Business

There was no new business to discuss at this time.

Establishment of Next Meeting Date

The next meeting date was left open

Adjournment

Motion: By Jo Mudd to adjourn the meeting

Seconded: By Robert Harrison

Vote: Unanimously Board Approved

Meeting was adjourned at 11:11 PM MDT

Respectfully Submitted
Antoinette Wilson

Secretary/ Treasurer