

**CROSS CREEK ASSOCIATION, INC.**  
**Annual Homeowners' Meeting**  
**September 3, 2006**

**CALL TO ORDER**

Don Crino, HOA Vice President, called the CCA Homeowners' meeting to order at 6:01 p.m. on September 3, 2006, in the Conference Center Building at Cross Creek Condos in Frisco, Colorado.

**Owners Present**

UNIT #	OWNER (S)	
102	Tom/J Hallin	
202	Carol Horn	Board Member
204	Bob Rappold	Board Member
208	M. Sanders	
210	B. Fleet	
300	Don Crino	Board Member
302	C. Roe	
306	D. Spivack	Board Member
309	J. Anderson	
311	B. Hunt (by teleconference)	Board Member

**Owners Represented by Proxy**

UNIT #	OWNER (S)	PROXY TO
100	Max Zweig	President
101	Tom Keltner	President
206	David Falk	Don Crino
209	B. Kohler	President
301	C. Winslow	President
305	J. Gelfand	Carol Horn
308	Luhrs & Luhrs	Carol Horn
309	In attendance – proxy invalid	

Owners present and represented by proxy represented a quorum as required by the Declarations.

Representing Wildernest were: Barb Walter-Director of Operations, Robert Halenda-Resident Manager, and Don Wagner-HOA Liaison.

**APPROVAL OF MINUTES**

**RESOLUTION:** Upon motion made, duly seconded and unanimously approved, the minutes of the September 4, 2005 Annual meeting were approved as written.

**REPORT OF PRESIDENT**

There was no report due to the President's absence from the meeting.

### **REPORT OF MANAGEMENT**

- All owners in attendance introduced themselves.
- Owners were reminded to sign in and to correct their contact information as needed.
- Various brochures were made available to the owners, including the Wildernest VIP card, which gives discounts for various area restaurants and businesses to owners in WPM managed properties.

### **FINANCIAL REPORT**

As of the July 31, 2006 Balance Sheet, HOA assets were \$376,466.67 and the liabilities were \$47,326.43, resulting in equity of \$376,466.67. These numbers represent a very healthy financial position for the Cross Creek Homeowners Association. The following questions were raised regarding line items on the Balance Sheet:

- It was noted that the unpaid dues balance is substantially higher than the unpaid dues as of the same date in 2005. Ms. Walter reported all the delinquent dues noted on the balance sheet were in the "current column" but totaled \$32,066.00, which she surmised was simply a timing issue since the new quarter dues had just been billed on July 1, 2006. However, she indicated she would confirm the status of the dues payments as of September 1, 2006 and report to the Board.
- Other assets questioned were lines 203 and 205, the managers unit and land associated with it. These are depreciation assets being accrued against future capital gains accounts on specific real property owned by the HOA. They are assets because they are accounted for on a per cent/per year basis but are similar to equity in a personal residence.
- Liabilities were questioned as to why the total for 2006 is about the same as last year's total, particularly the "Deferred Revenue" which is exactly the same amount as last year. The WPM Controller will be asked to provide an explanation for this item.
- Overall members' equity of \$329,140 is high for an Association of this size.

Year-to-date income statements were reviewed. Several items were noted or questioned:

- Telephone costs are running over \$1000 more than last year and is attributed to the DSL monthly charges. Line 614, High Speed Internet, represents startup equipment costs.
- Line item 688 expenses were questioned and explained as upkeep and miscellaneous expenses associated with day-to-day operation of the Center Building.
- An owner felt the quarterly statement billed to homeowners should show the dues split per unit and per square foot as a CCIOA requirement, so that a determination of fee allocation could be correctly made.
- The line item 672, Plumbing and Heating, cost is attributed to pre-season heating system checks in the individual units, which is paid for by the HOA.
- Significant overruns in snow removal were discussed centering on possible ways to reduce these overruns even in high snow years. Tony Snyder, President of Wildernest, is currently bidding the snow contract for this winter. Reductions in

cost could be difficult due to fuel cost increases. Another factor in the budget overrun is the necessary cost of hauling snow off-site. Two homeowners were pleased with the snow removal efforts. A concern was raised over safety and the snow overhang between the 100 buildings. It was felt there was not sufficient attentiveness to roof snow removal from the roofs but it was noted that those buildings have cold roofs, which are designed to hold snow rather than shed it.

- Ms. Walter made a point of explaining that CCA has 3 different Reserve Accounts. One is for the Conference Center, one for the 200/300 buildings and one for the 100 buildings. Contributions and expenses for the three different reserve accounts cannot be commingled per the HOA legal documents. The large line expense for the clubhouse was attributed to the new outside hot tub.

### **PROPERTY ISSUES**

Several issues related to the property were noted and discussed including:

- The age of the heat tape and the time frame for replacement was questioned. It was noted that the Resident Manager is responsible for turning on the heat tape annually.
- The fireplace chimneys are cleaned every other year.
- Clothes dryer vents are cleaned on an as-needed basis but several owners questioned if that was sufficient because of potential fire danger.
- An owner commented that the 200/300 buildings have large reserves and low expenses so serious consideration should be given to reducing the dues.
- Complaints were voiced over the quality of the exterior touch up painting work being done by an individual used by the HOA for the past several years. Concerns included the splattering of paint on a vehicle and on a garage door. It was felt by some there was a need for a “real” painting company to be hired for the next project. A letter will be mailed to all owners seeking input on the quality of the painting. Also a Board member will review the work directly with the painter; Mr. Luhrs agreed to be the point person from the Board on these issues.
- General condition of the 100/200/300 Buildings exteriors was discussed including siding board condition, need for caulking, and the STO condition. Some remedial work has been done on the 100 Building by the original contractor of the building in response to previous warranty questions raised by the Board.
- A concern was voiced regarding the clubhouse meeting room sliding doors not working correctly. It was felt the general condition of the clubhouse needs attention and there should be a commitment to improve it or ignore it depending on the desire for rental income. Others expressed the opinion that investment in electronics would not be recouped in increased rental, specific to buying a computer projector.
- The humidistat needs a locked cover so users of the room do not think it is a thermostat and turn it up, adding to the building’s humidity problems.

### **APPROVED BUDGET RATIFICATION**

In compliance with SB100 a Board approved budget was mailed to all homeowners previous to the Annual meeting for review and ratification at this meeting.

The Board approved budget was reviewed and comments included:

- Firewood should not be reflected on the budget; it is not an HOA expense but rather the financial responsibility of each short-term rental owner.
- Line item 607 includes general property miscellaneous expenses, such as Board meeting refreshments, the filing of the Corporate Report, work day lunch, etc.
- A question was raised regarding whether snow removal costs should be budgeted the same as last fiscal year or more in line with the actual cost for the past winter which was over run.
- The difference between the Administrative Management Fee (line item 611) and Additional Maintenance Fees (line item 612) was explained. Onsite services provided by Mr. Halenda and his crew are additional to the base management fee, which covers administrative services like accounting, bill paying, mailing of notices, preparation of minutes, etc.
- The need for line item 624, Depreciation, was commented on and this expense will be researched with the WPM Controller.
- Owners expressed concern with the line items related to building, grounds, and hot tub/pool maintenance, requesting the need for closer attention to the costs associated with these areas.

The consensus was to table the budget at this point and review the major maintenance chart as a planning tool for future capital repairs and expenses. The Center Building, which has a newer roof, siding, and flooring, also has the highest reserve balance. It was noted WPM does an excellent job with their use and review of the MMC as a planning tool for HOA's. It was also decided to move all asphalt reserve funding to the Center Building Reserve Account.

The membership decided to table ratification of the budget. Specific direction was given to reduce the contribution to the Center Building Reserve Account, which should provide the opportunity to reduce dues to all owners. WPM will make all the requested amendments to the budget and resubmit to the Board for approval. An approved budget will then be mailed to all owners. The owners will be asked to ratify the budget by mail or by attending a special meeting called for that purpose. Only one Board member will be available at that meeting to answer questions regarding the budget or to receive ratification votes in person. The date of that meeting will be included with the budget ratification mailing.

#### **OLD BUSINESS**

A quick update was provided by Mr. Halenda on the pool maintenance issues identified at the last Board meeting. Pool and hot tubs are all in good working in large part due to the efforts of Chris Pittman, WPM's pool and spa specialist. A new pool cover is in place and the cover wind up roller was repaired for less than \$2000. There are still humidity concerns, which Mr. Pittman is working on. Some needed patchwork in the surface of the indoor hot tub have been approved and will be completed prior to the winter season. It was noted that the floor surface pebbles are being carried into the hot tubs and causing a "bubbling" problem as they lodge in the pipes.

#### **NEW BUSINESS**

Several homeowners took the opportunity to voice a series of complaints about WPM, specifically responsiveness by the R&M and Housekeeping Departments and their ability to do the work requested or contracted with them, as well as lack of or inappropriate communication with various individual staff members. There were also questions raised regarding security checks in units. The Board will set a security review policy or standard, which WPM will be expected to adhere to. A complaint was further registered about the rental activity statements received by homeowners under contract to short term and a billing duplication issue. Some homeowners expressed their opinion that the Board was obligated to investigate alternate management options in view of the previous complaints. The Board assured all homeowners that their comments were taken seriously and would be fully investigated.

No meeting date was set for the 2007 Annual Meeting.

#### **ELECTION OF DIRECTORS**

All directors are elected annually. All current board members agreed to stand for reelection with the exception of Tom Keltner. In addition, Bruce Fleet agreed to run for election to the Board.

**RESOLUTION: Upon motion made, duly seconded and unanimously carried, the Board of Directors was elected as stated: David Falk, Don Crino, Rob Luhrs, Timmothy Nimmer, Bryce Hunt, Carol Horn, Bob Rappold, Daniel Spivack and Bruce Fleet.**

#### **ADJOURNMENT**

The Annual Meeting adjourned at 8:48 p.m.