

THE HOMESTEAD AT SNOWMASS ASSOCIATION
BOARD MEETING

November 8, 2012

1. CALL TO ORDER

Mike Estes, President of the Association, called the meeting to order at 1:04 PM. Board members were present via conference call were Bob Campbell, George Hartnett, Bill Devers, and Malo Harrison. A quorum existed at all times during the meeting. Barton Craig and Mike George of Snowmass Lodging Company were also present.

2. PROOF OF NOTICE OF MEETING

Mr. Craig presented proof of notice of the meeting, which was via email.

3. READING AND/OR DISPOSAL OF UNAPPROVED MINUTES

Mr. Hartnett made a motion to waive reading the minutes of the Board Meeting of November 15, 2011. Mr. Devers seconded, and the motion was approved by voice vote. The minutes were approved, as written.

4. UNFINISHED BUSINESS

Deck and Railing Replacement—Project was completed in early August.

5. NEW BUSINESS

Allocation of expected 2012 Budget Surplus

Management projects that the HOA will end 2012 with an operating surplus of \$20,744.85. The actual surplus will vary depending on actual fourth quarter expenses. Traditionally operating surpluses have been added to the Reserve Fund with such action subject to Board approval. Mr. Devers therefore made a motion to allocate the 2012 budget surplus to the Reserve Fund, Mrs. Harrison seconded. Mr. Estes called for a voice vote and the motion was carried. The proposed 2013 budget will reflect this decision.

2013 Proposed Budget

Management has presented the Board with a Proposed 2013 Budget based on results through September 2012. The Proposed budget calls for flat assessments year over year. It also calls for a \$40,000 Reserve Fund contribution.

Mr. Estes asked the Board members if they had any questions or comments on the proposed budget.

Discussion about the details of a roofing repair from 2012 ensued. Mr. Estes will try to locate the pertinent roofing contract from earlier times to review with Bart, with an eye to following statutory notice requirements regarding potential latent defects.

There was a discussion about why some buildings have fire alarm protection (Buildings B and C) and others do not (Buildings A and D). Mr. Estes noted that at the time in the Homestead was constructed only buildings with 5 or more units were required to have systems installed. Several years ago the HOA looked into installing an equivalent system in Buildings A and D and ascertained that the cost was prohibitive. He requested that management check with the unit owners in buildings A and D to find out if they have any existing alarms systems for at least the

fire and smoke, or any other capacity, and report back to the Board.

Mr. Estes discussed bear activity at the complex this past summer. He asked if a spray application might reduce the fruit that the crab apple trees which attract the bears. Mr. Craig reported that the spray had been used in Aspen with positive results. He also reported that cost is not significant. The decision was made to have the spray applied and the cost absorbed within the proposed landscaping budget.

The board discussed historical and projected electric expenses. After discussion concerning historical year over year costs, the board noted that the budget should be able to absorb some minor variances in Electric expense, should any unexpected increase in either consumption or unit pricing occur in 2013.

Mr. Estes raised the issue of whether or not the HOA should investigate participation a local solar co-op. After discussion the board decided not to proceed further with this approach for the Homestead as a whole. It was noted that individual owners have the option to decide whether or not to make investments in any local solar farm.

Mrs. Harrison asked about whether or not the HOA should plan for a seal coating expenditure in 2013, since the last application occurred in 2008. After discussion, the Board decided to plan for an application in 2014, subject to board review.

Mr. Devers made a motion to approve the budget as presented for distribution to the members. Mrs. Harrison seconded, and the motion passed. Mr. Craig will mail the proposed budget to all homeowners with the Notice of the Annual Meeting.

Mr. Campbell asked about how the dissemination of the external capital funding study from 2011 was being handled. Mr. George noted that the internal budget files now incorporate that data and also propose various line item funding levels from 2013 forward. There are line item costs noted within the third party study that the HOA does not plan to fund via the Reserve, such as future replacement of siding and windows. Mr. Estes noted that he will review the document with Bart and plan to incorporate it as an agenda item each year.

Americans with Disabilities Act pool and spa requirements

Mike George took the opportunity to summarize to the Board that new Federal requirements taking effect January 2013 regarding the accessibility of pools and spas in commercial properties to make them accessible for individuals protected in the Americans with Disabilities Act. In general, the Act requires that all common area amenities at any commercial lodging facility be accessible to those individuals with physical disabilities. At the Homestead, the spa and changing rooms are the only facilities that management believes might need to be compliant. This might include a ramp to make the spa wheelchair accessible as well as a mechanical lift that in turn would allow individuals to get into and out of the spa without the use of steps. This would require a substantial capital investment and would change the physical layout of the spa area.

At issue is whether the regulations are actually applicable to the Homestead. The language is vague as to what constitutes a commercial facility. If rentals were not allowed at the Homestead there would be no requirement at all. In practice there are currently no vacation rentals at the Homestead: only long-term lease rentals. It appears this type of rental would not require the Homestead to be subject to the new laws. This is according to a recent article in the Washington Post by law professor Bernard Kass. However, that is an interpretation. The language in the law itself is not clear. And while there are not currently any vacation rentals at the Homestead, that could change in the future.

The question before the Board is what action they would like to take regarding compliance with this law.

At this point in time the Board has taken this issue under advisement. The Board further asked management to start the investigation into what the capital expenditures might be to bring the property into compliance with these laws.

Mr. Estes noted that the board will review Colorado SB-100 and propose a rule for the HOA consistent with State law.

Mrs. Harrison noted that there still appears to be some confusion regarding recycling procedures. The Board will discuss the matter at the upcoming annual meeting.

2013 Annual Homeowners Meeting

Mr. Campbell made a motion to hold the Annual meeting at 4:00 pm on December 28, 2012, at the home of Mr. Estes. Mrs. Harrison seconded, and after a voice vote the motion was passed. Mr. Craig will send the Notice of Meeting, Agenda and Proxy to all of the members.

6. ADJOURNMENT

Mr. Devers moved for adjournment, Mrs. Harrison seconded, and the motion was carried. The meeting was adjourned at 2:40 P.M.

Respectfully submitted,

, Secretary