

THE HOMESTEAD AT SNOWMASS BOARD MEETING

February 14, 2023

I. CALL TO ORDER

Colin Heggie, Vice-President of the Association, called the meeting to order at 3:31 pm Mountain Time. Board members present via Zoom conference call were Colin Heggie, Marilyn Seltzer, Malo Harrison, Scott Kallick and Heather Burcher. Barton Craig and Michael George of Snowmass Lodging Company was also present.

II. PROOF OF NOTICE OF MEETING

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

III. READING AND APPROVAL OF THE MINUTES

Mr. Kallick made a motion to waive the reading of the Board Meeting Minutes of November 29th, 2022 and the Annual Meeting Minutes, and approve them as written. Mrs. Burcher seconded, and the motion was passed unanimously via voice vote.

IV. UNFINISHED BUSINESS

Appointment of Board officers

Mrs. Seltzer made a motion for Mr. Heggie to serve as President, Mrs. Harrison as Secretary and Mr. Kallick as Treasurer for a term of one year. Mrs. Burcher seconded and the motion was passed unanimously via voice vote.

2022 Final financial results

The Homestead HOA ended 2022 with an Operating deficit of \$54,400. This is \$14,000 higher than projected, due mostly to higher than expected Q4 snow removal and R&M expenses. Mr. Heggie noted that while the Board understands the reasons for the cost overruns, more accurate forecasting is needed.

2023 Budget implications

Because of the \$54,400 budget deficit, the HOA effectively has to cover \$14,400 more than projected from the Reserve Fund.

Mr. Heggie also noted that snow removal for January and February is likely to be over budget due to above average snowfall so far in 2023 and that the HOA can likely expect a budget deficit in this line item

Boiler consultant status

Mr. Craig noted that the HOA still does not have any information from the mechanical engineer, David Lyle. Mr. Heggie noted that he believes it is important for the Board to have a report no later than May. Mr. Craig will contact the engineer to confirm that he can meet this expectation.

Mr. Kallick reminded the Board that \$60,000 of the 2023 Reserve Fund assessment is reserved for boiler replacement or repair. The Board agreed that this is the case and those funds can only be used for boiler replacement or repair.

Diseased tree removal

Large fir tree behind the spa area needs to be removed, which will be done in the spring. The Board agrees that no trees need to be planted in that area. Mrs. Kurzman requested Earthwise to inspect all of the aspen trees in front of the units. Mr. Craig noted that the charge to do so will either be quite low or complimentary and will schedule in the spring.

V. NEW BUSINESS

Vacasa Termination Notice

Vacasa sent termination notices on January 31st, 2023 to all 4 HOAs managed by Vacasa in Snowmass Village. The termination will be effective May 31st, 2023.

Mr. George took the floor and provided background as well as possible alternatives.

The termination was essentially the result of contract breaches by Vacasa at Chamonix and Enclave. At those HOAs, because rental operations are strongly incentivized through the HOA property manager, the contract is more complex and includes language regarding staffing and service levels. When Vacasa was unable to solve those issues, the two HOAs notified Vacasa their intention to end the contract. Vacasa decided to terminate the contracts on January 31st. Homestead was also terminated primarily because without the other HOAs, Vacasa cannot operate a single HOA in Snowmass Village.

Mr. George has been in contact with Frias Property Management for the last two weeks, as a local company that can offer both HOA management and rental property management to take over all 4 of the HOAs. While the Homestead does not require a company to provide rental services, this is a necessary component to

keep all 4 HOAs together and to keep the current staff together as seamlessly as possible.

Frias Property Management presented a summary management proposal, which Mr. Heggie received late on February 13th. Similar proposals were offered to the other 3 HOAs currently managed by Vacasa in Snowmass Village. That proposal does not include any changes in management fees for The Homestead. It does include changes in fees for Chamonix and Enclave. Mr. George explained that it appears that Frias interest in the Homestead is somewhat dependent on getting contracts from all four HOAs. Mr. George noted that a meeting is set for Wednesday, February 15th, for the Presidents of the Chamonix and Enclave HOAs to discuss the proposal with Frias. Hopefully, within the next week it will be known if the other HOAs will agree as a group to accept the proposal by Frias. Mr. Heggie noted that he does not like the idea of being in a contingent position, dependent on the decision of other properties to determine the future management of the Homestead. The Board members agreed. Mr. Heggie will distribute a draft of an RFP to the Board for input, after which it will be sent to Mr. Craig and Mr. George for review and thereafter be sent to Frias for review and response. In addition, the Board will contact 2-3 local property management companies to assess interest and also submit the RFP for property management. Currently, Romero Group, Willow Creek Property Management and Rutledge Property Management will be contacted.

VI. **Adjournment**

Mrs. Burcher made a motion to adjourn. Mrs. Seltzer seconded the motion, and the meeting was adjourned at 5:06 pm.

Respectfully,

Malo Harrison, Secretary