

THE HOMESTEAD AT SNOWMASS ASSOCIATION
ANNUAL OWNERS MEETING

December 30, 2010

1. CALL TO ORDER AND CERTIFYING PROXIES

Mike Estes, President of the Association, called the meeting to order at 4:02 PM at The Homestead #7 at 3904 Brush Creek Road in Snowmass Village, Colorado. Board members Bill Devers (via telephone), Malo Harrison, Bob Campbell (via telephone), were present. Barton Craig and Michael George of Snowmass Lodging Company were also present.

| Members Present | Unit # |
|------------------------------|--------|
| Mike Estes | 7 |
| Bill Devers (via telephone) | 2 |
| Malo Harrison | 5 |
| Bob Campbell (via telephone) | 8 |
| Ingegaard Fehr | 4 |
| KT Meade | 15 |
| Colin Heggie | 10 |

| Members Present by Proxy | Unit # |
|--------------------------|--------------|
| Kenneth James | 3 |
| Dick Moebious | 6 |
| Thomas Balderston | 12 |
| TOTAL | (10/14= 71%) |

Verification of the signed proxies established that the required quorum of 33% of Homestead was achieved.

2. PROOF OF NOTICE OF MEETING

Mr. Craig presented proof of notice of the meeting.

3. READING AND/OR DISPOSAL OF UNAPPROVED MINUTES

Mr. Devers made a motion to waive reading the minutes of the Annual Meeting of December 29, 2009. Mr. Campbell seconded, and the motion was approved by voice vote. The minutes were approved, as written.

4. REPORT OF OFFICERS

Mr. Craig noted that the Association expects to end the year with approximately \$203,410 in its Reserve Fund, which is held in bank accounts and short-term Certificates of Deposit at Alpine Bank.

The Association expects to end the year with an operating surplus of \$1,952. The Operating Fund will be zeroed after the external auditor confirms the accounting for the 2010 fiscal year, with the net effect being absorbed in the Reserve Fund.

The exact amount of the operating fund surplus will not be known until all 2010 expenses are paid in late January. The Reserve Fund contribution for 2010 will be adjusted up or down based on the actual year end totals.

5. ELECTION OF DIRECTORS

No Board positions are up for election, as all five Board members were elected to two-year terms in 2009.

6. UNFINISHED BUSINESS

2011 Budget Review and Ratification

Mr. Estes presented the homeowners with the 2011 budget proposal. Mr. Estes asked any owners present if they had any questions or comments on the proposed budget.

Mr. Campbell made a motion to approve the budget as presented. Mr. Devers seconded, and the budget was approved, as presented, by a voice vote.

7. New Business

Discussion of elimination of Homestead bus stop

Brush Creek Road neighbors Baxter Brow, Tom Todd and Mark Hogan presented to the owners the facts regarding the Town's decision last month to eliminate the Homestead bus stop. They challenged the Town's contention that the bus stop is unsafe and noted that forcing pedestrians to walk the icy path to the Sinclair bus stop was a definite safety hazard. They encouraged Homestead homeowners to let elected officials know their opinions on this matter. The decision will be discussed at the January 3rd, 2011 Town Council meeting and all interested parties are encouraged to attend.

Adoption of Responsible Governance Policies

Mike Estes asked if there were any questions regarding the policies, which were sent to all members prior to the meeting.

Mrs. Harrison made a motion to approve the Governance Policies, as presented. Mr. Hegge seconded, and the motion was passed via voice vote.

Discussion of Patio decks

Mr. Craig summarized the discussion on decks from the December 2010 Board meeting. He noted that the two maintenance issues with decks are the uneven and damaged boards, and the waterproof membranes are near the end of their expected lives. The scope of work is such that there is considerable savings by doing both these projects at the same time.

Management has obtained bids from multiple vendors to replace the deck membranes with an overlay over the existing concrete. Past membrane replacement bids and repairs have been based on demolishing the existing concrete and membrane. The original bid from Red Eagle to replace all membranes and decking was \$300,000. Management has obtained multiple bids from roofing companies to do the overlay membrane, and carpentry/woodworking bids from other companies for the other associated work that brings the cost down to as low as approximately \$170,000.

The HOA installed simple access hatches over the deck drains this fall which will make it much easier to keep the drains in good working conditions. This may prevent future decks leaks.

Discussion included the advantages and disadvantages of using Trex instead of natural redwood. Owners are encouraged to inspect Trex decking, so they can form an opinion about this material, versus redwood. The cost is about the same for both materials, but Trex requires less maintenance. Management was also instructed to obtain bids to replacing deck railings as part of the project, as many are in need of repair, and the railings should match whatever material is used for the decking.

Recommendation of Reserve Fund Study

Mr. Estes noted that the Board had approved Snowmass Lodging to hire Aspen Reserve Specialties to perform a Reserve Fund study for The Homestead in the spring. The cost is estimated between \$2,600-3,200.

Underground Drainage on side Building D

Mr. Meade brought up the issue that drainage on the down valley side of building D is need of attention. He pointed out that for much of the summer the area was marshy and not draining properly. Mr. Craig noted that Crystal Gardens eventually confirmed in the fall that there was an underground perimeter drain installed in the area several years ago. Crystal Gardens inspected the area and came to the conclusion that the drainage system needs both maintenance and a slight expansion to handle the quantity of water. Unfortunately, they were not able to do the work before freezing temperatures ended the season for doing such work. Mr. Craig assured the members that the project will be completed as soon as snow melts in the spring.

8. ADJOURNMENT

Mrs. Harrison moved for adjournment, Mr. Meade seconded, and the motion was carried. The meeting was adjourned at 5:15 P.M.

Respectfully submitted,

, Secretary