

THE HOMESTEAD AT SNOWMASS ASSOCIATION
ANNUAL OWNERS MEETING

December 30, 2011

1. CALL TO ORDER AND CERTIFYING PROXIES

Mike Estes, President of the Association, called the meeting to order at 4:30 PM at The Homestead #5 at 3904 Brush Creek Road in Snowmass Village, Colorado. Board members Malo Harrison, Bob Campbell were also present. Barton Craig and Michael George of Snowmass Lodging Company were also present.

Members Present	Unit #
Mike Estes	7
Malo Harrison	5
Bob Campbell	8
Ingegaard Fehr	4
KT and Marilyn Meade	15
Colin and Fiona Heggie	10
Ken James	3
Members Present by Proxy	
Susan Marks	9
Bill Devers	2
Mike Kurzman	12
George Hartnett	11
TOTAL	(11 /14=77%)

Verification of the signed proxies established that the required quorum of 50% 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. Campbell made a motion to waive reading the minutes of the Annual Meeting of December 30, 2010. Mr. Heggie 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 \$236,357 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 \$21,366. The Operating Fund will be zeroed after the external auditor confirms the accounting for the 2011 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 2011 expenses are paid in late January. The Reserve Fund contribution for 2011 will be adjusted up or down based on the actual year end totals and should approximate \$257,700.

5. ELECTION OF DIRECTORS

All Board positions are up for election, as all five Board members were elected to two-year terms in 2009. The floor was open to nominations. Mr. Heggie made a motion to nominate the entire Board for another term and Mr. Meade seconded and the motion was passed unanimously by voice vote.

6. UNFINISHED BUSINESS

2012 Budget Review and Ratification

Mr. Estes presented the homeowners with the 2012 budget proposal. Mr. Estes asked any owners present if they had any questions or comments on the proposed budget. Mr. Estes noted that the total expenditure of funds for the Association was unchanged for the third year in a row and that assessment has risen only minimally in the last 5-6 years.

Mr. James pointed out that assessments are substantially less at the Country Club Townhomes even though the price per square foot is similar as the Homestead. He noted that four properties sold last year at the Country Club Townhomes and none at The Homestead and suggested that the size of assessments might be a factor. Mr. Craig noted that the Country Club Townhome assessments do not include heat, cable and internet, as well as a spa. Differences in the physical plants between the properties also impact snow removal and grounds costs per home. Mr. Heggie noted that assessments could always be kept artificially low at the expense of the future of the complex. He felt an educated buyer would find the state of the complex and the balance of the Reserve Fund to be more important factors, especially considering the cost of the property in comparison to the size of the assessments.

Mrs. Harrison made a motion to approve the budget as presented. Mr. Meade seconded, and the budget was approved, as presented by a voice vote.

Deck Replacement Project

Mr. Craig provided a summary of the plans and progress that has been made regarding replacing the waterproof membranes, redwood decking and railings for the Homestead decks.

Per decisions made by the Board, the membrane, decking and railing of the living room deck at Homestead #8 has been replaced, with the intent that it be used as a "test" to provide a clear idea to all homeowners of the plan for the rest of the homes. All homeowners present have had an opportunity to inspect the new deck elements prior to the meeting. The material for the decking is Trex and the material for the new railings is cedar.

The cost of the project going forward using the same materials and vendors is as follows:

Cost of waterproof membrane-\$3,100 per large deck and \$1,200 per small deck=\$4,300
Cost of demo, new Trex decking-\$6,368 per large deck and \$1,740 per small deck=\$8,108
Cost of railing replacement-\$3,970 per large deck and \$645 for new railing cap small deck=\$4,615

This would bring the cost of the entire project to \$238,322 minus the \$13,438 that has already been allocated to the deck at Homestead #8. There will also be a fee for the building permit.

The entire cost of the project will come from the Reserve Fund.

Mr. Estes asked the members if they had any comments after viewing the new deck. The members present had inspected the new deck and railings prior to the meeting. The discussion was mostly about the color choice of the Trex and the color choice of the stain for the deck railings. While personal preferences vary, nobody present objected to the color choices that had been made. The stain on the deck railings will be the same as used on the sample deck at #8 but it is understood that the color can be darkened in 2013 if homeowners feel the original stain is too light. Per the specifications that have now been set at Homestead #8, the Association will proceed with installing new membranes, new decking and new railings on all decks at all Homestead units starting at the earliest opportunity in the spring and complete the project as early in the summer of 2012 as possible.

Reserve Fund Study

Mr. Estes reminded the members that per discussion at the 2011 Annual meeting the Board contracted to have an independent Reserve Fund analysis performed for the Homestead. Mr. Estes noted that the first draft of the Study included many items that are considered operating expenses, as well as three large items that were not considered part of the regular Reserve Fund. These items are roofs, windows and siding. Roofs were replaced four years ago and the Association does not feel it appropriate to start reserving for their replacement at this time. Last year the HOA drafted a Rule shifting the responsibility for window replacement due to bad seals to homeowners. Exterior siding will be due to be replaced in the next 10 years but much of the cost will likely come from a Special Assessment. Discussion among the group focused on whether it is appropriate or necessary for the HOA to collect the approximately \$1.5 million that will be needed for this project sooner or later. Management noted that Special assessments for projects like this are the norm in Aspen/Snowmass and that Associations collecting reserves of millions of dollars years in advance of such a project is not common. Mr. Estes noted that one of the purposes of the Study was to educate all of the members of the potential future costs. As a result, a copy of the Study will be sent to all homeowners with a cover letter.

7. New Business

No new business was discussed.

8. ADJOURNMENT

Mr. Campbell moved for adjournment, Mr. Meade seconded, and the motion was carried. The meeting was adjourned at 5:45 P.M.

Respectfully submitted,

, Secretary