

HOMESTEAD AT SNOWMASS ASSOCIATION:  
Board Meeting  
August 23<sup>th</sup>, 2010  
4:00pm Homestead Unit #7

I. CALL TO ORDER

Roll Call: Meeting started at 4:01 pm

Directors present:

Mike Estes (President) present

Bill Devers (Vice President) via conference call

Malo Harrison (Secretary) present

Bob Campbell present

George Hartnett present

Snowmass Lodging Company present: Barton Craig and Mike George

II. APPROVE MINUTES OF Annual Meeting 12/29/09

Motion was made by Bob Campbell to approve the minutes, seconded by George Hartnett. The motion was carried by a voice vote, and the 2009 Meeting Minutes were unanimously approved.

III. OPERATONS REPORT by Barton Craig, Snowmass Lodging Company

- Spa has been operational since early March. Resort Quest reimbursed the HOA \$17,174 for repair costs due to frozen pipes in December 2009.
- Radon testing complete and all homes are below recommended levels
- Window cleaning, chimney cleaning and backflow tests performed
- Comcast-new digital adapters installed in all units
- Grounds-2 new projects have put the HOA about \$6,000 over budget in grounds costs. They are the golf course reclamation behind unit 8 and the strip gardens that run between Homestead and Brush Creek Road, which are both new costs for the HOA for 2010. The golf course project is complete, and the cost will not recur next year. The maintenance cost of the strip gardens was about \$2,500 higher than normal, because the gardens were not covered last winter. That cost will not recur next year.
- HS14 owner is satisfied with the deck repair done last year.

IV. REVIEW OF FINANCIALS FOR Q1 & Q2

The HOA is \$1,487 under budget through Q2. Insurance, Comcast and Grounds were all over budget, but Snow Removal was under budget enough to offset these line item cost overruns and result in a small surplus.

#### V. DECK REPLACEMENT AND OTHER CAPITAL PROJECTS.

Deck replacement-Malo Harrison began discussion by asking if the Board would be willing to let homeowners replace their own decks sooner than the current HOA schedule, which calls for replacement from 2011-2015. Discussion then ensued regarding how reimbursement would be handled and how to ensure that work was performed uniformly on all decks, if homeowners were allowed to arrange it themselves.

Mike George asked what specifically had been done to the decks that have been replaced. Mike Estes summarized that when a waterproofing membrane fails, the HOA has had to demolish about 5 inches of concrete to get to the membrane to replace it. It is this process that makes the deck repairs so costly. Mike George mentioned that in his experience there are a variety of overlay waterproofing products that possibly could be applied right over the concrete, greatly simplifying the process. Further, the step-up design of the decks is such that adding a thin layer of material will not affect their function. Recognizing that there may be good reason why this approach has not been used in the past, management is going to research this alternative and will update the Board. A related issue that was brought up for discussion is financial responsibility for homeowner property damage that is caused by the failure of a deck or roof, or any other common element. Barton Craig pointed out in many similar HOAs the Declaration and insurance coverage make the cause of the damage irrelevant, as the ultimate responsibility for repairs falls to whomever owns the damaged items. For example, in the case of a roof failure that leads to interior unit damages, the homeowner is usually responsible to repair the interior damage, and the HOA is usually responsible to repair the roof. The insurance companies for each party then decide internally, as to whether or not they desire to try to subrogate the costs of the repairs to the respective items. Management will follow up with our insurance agent to clarify these issues and to recommend policy language for them for both the Board and the membership to consider. Management has also been instructed to determine exactly which decks have already had their waterproof membranes replaced.

Driveway seal coating-Reserve Fund budgets \$12,000 for this project in 2011, although Board members agree it is pretty good shape now. This work will likely be deferred to a later date.

Siding replacement-The siding is 21 years old and near the end of its expected life, but it is in remarkably good shape, and homeowners are satisfied with it. The combination of regular painting to protect the wood and the mature trees around the complex providing shade seem to be factors in the longevity.

Painting is scheduled again for 2013 and, barring a rapid deterioration of the siding, the painting will be performed, and the siding will be kept at least for a few years beyond.

#### VI. REVIEW OF GROUNDS AND LANDSCAPING

The Board members all agreed that the grounds, and the flowers in particular, are in much better condition than last year. The issue of shrub replacement was discussed. The two issues are that the groundskeeper reports that the shrubs on the sides of buildings grow so fast and high that the cost of maintenance is high, but that shrubs in the back areas should be left high to provide privacy screens. Board members agree that replacing shrubs is not a high priority, but management has been instructed to get an estimate from Crystal Gardens on how much the HOA spends on shrub pruning. Also, management will investigate why a large shrub was replaced with a tiny one behind unit 5.

#### VII. DISCUSSION OF SNOW REMOVAL

The \$11,000 savings in snow removal was mostly due to using snow blowers to move snow up the hillside rather than paying to truck it away. The HOA will plan to continue this policy, but will take extra care to make sure any areas of overhanging snow are blocked off and will also monitor the hillside for signs of damage or erosion. Mike Estes pointed out that snow removal costs have varied significantly over the last 5 years, depending on whether snow was trucked away or not in a given year. The Board gave management the authority to switch vendors as they see fit, as long as the service level is unchanged.

#### VIII. WIRING OF COMMON LIGHTS AND CHRISTMAS LIGHTS.

Barton Craig explained that neither of the two common areas lit with holiday lights are functional, due to the fact that the old-style lights overload the common area light circuit and to disrepair of the lights themselves. The estimate to redecorate both areas with new white LED lights is \$3,600. This expense is not currently in the budget. Bob Campbell made a motion to approve the work, so the lights are up for the beginning of the ski season. Malo Harrison seconded, and the motion was unanimously passed via voice vote.

#### IX. POLICIES AND PROCEDURES-attached

Mike Estes asked the Board members to review the attached list and make additions if necessary, with a goal towards to codifying HOA policy on various issues.

#### X. OLD BUSINESS

No items were brought for discussion.

#### XI. NEW BUSINESS

Mike Estes noted a new Colorado law that requires HOAs to keep on file a responsible governance policy regarding their Reserve Fund. The law requires that HOAs provide some sort of Reserve Fund study. While the law does not require that the study be performed by an independent third party, Mike George pointed out that the best way to get a reasonably accurate starting model would be to hire a third party. The 2010 Budget allocated \$10,000 for miscellaneous expenses to the Reserve Fund. Mike Estes made a motion for management to get an estimate from a third party for a Reserve Fund study for the Homestead. George Hartnett seconded, and the motion was passed unanimously via voice vote.

#### XII. ADJOURN

Mike Estes made a motion to adjourn, Bob Campbell seconded and the meeting was adjourned at 6:05pm.