

**Interlude Board Meeting**  
**January 14<sup>th</sup>, 2022 @ 10:00am MST**

**Roll Call:**

Jami Downs  
Ernest Boone  
Lacy Boggess  
Judy Lohr  
Skip Sinclair  
Eliza Giosmas (Minutes)

**New Business:**

The board gathers to discuss the boiler project and how they'd like to complete this project moving forward. Because of the high cost for all three buildings and the potential depletion of the capital reserve, the board discusses alternate options.

Ernie starts by stating that depleting the capital reserve is risky, as it leaves them hardly any room for other capital repairs throughout 2022. He asks Skip if there is a way to determine which of the furnaces are the weakest to see if we could spread the project out over several years. Skip replies that there are certain boilers that he's had more issues with than others and that Buildings C & D have had their pumps replaced recently compared to Building A.

Lacy asks Skip if he is confident in the contractor who has quoted Interlude for the job, and if there are any benefits to looking for a better price. Skip states that he is highly confident in this contractor, as he has undergone thorough & specific training for this exact project and that him & his team live in Snowmass Village – so we wouldn't be hiring a large contracting company and risk getting an inexperienced team for the job. Lacy feels that getting the entirety of the project completed in the Spring is the best option as Interlude does have the capital reserve to move forward, a \$250,000 line of credit with Alpine Bank and the ability to special assess owners if needed. He feels that if we split up the project, the cost of completing the boilers down the road will risk inflation. Since the board decided to increase the yearly capital reserve amount, he feels confident that moving forward with all boilers is the best route.

Jami mentions that there is \$477,000 in the capital reserve currently and reminds board members that any owners that plan on re-mortgaging their units will have a hard time doing so if the reserve is depleted. She states that there is currently an Interlude unit for sale. And although Interlude has a line of credit, each unit would have a temporary lean on their properties if this line of credit was used.

Ernie reminds the board that they recently paid to replace two new components in Building C & D – the pumps, which did not come cheap. Replacing everything all at once feels as though we made those purchases for nothing.

Skip mentions that the contractor won't know exactly how long each building will take. If we were to plan all of them all at once, there could be a strong possibility of the job taking longer than expected which could severely disrupt rentals and tenants. He suggests starting with Building A in the Spring of 2022 could help them be better prepared and have a more insightful timeline for when they are to

complete the other buildings down the road. To add to this, Building A is going to be the hardest building to complete, as Building C & D have about 4-feet more head room space, and Building A is significantly smaller.

Lacy agrees that the uncertainty of the project timeline is an important factor to consider. If we complete Building A first, we'll learn how much time to block for the other buildings and it won't put as much strain on our capital reserve. Ernie tags onto this by stating that waiting for the other two buildings also gives them a chance to assess this contractor's installation performance. Judy agrees with postponing Buildings C & D and making Building A the priority for 2022.

**Adjourn:**

Ernie motions to complete Building A's boiler project in the Spring of 2022 and to delay Buildings C & D for the time being. Judy seconds this motion. All in favor.