

Interlude Bode of Mangers Meeting

October 16, 1:30PM

ZOOM

I. Roll Call

Lacy Boggess- On Zoom- President

Ernie Boone- On Zoom- Vice President

Davis McGrath- On Zoom- Secretary

Jami Downs- In person/Zoom- General Manager

Skip Sinclair- On Zoom- Residence Manager

Eliza Morrison- In Person/Zoom- Admin

Guest- Dave"Jake" Jacobsen- In person/zoom- Laurelwood Board President

II. Approval of September 14th Meeting minutes

Ernie motioned for the approval of September meeting minutes to be approved, David Seconded- all approved.

Jami mentioned Audrey still owed meeting minutes from last meeting

III. Old Business

Phase 1 of balconies has been approved by ownership but is open for modifications. Skip has received the drawings from architects, which only shows the hallways and not the balconies due to the overgrown evergreen and aspen trees. Skip will check to see if they can do it from the other side of the building. Skip also confirmed that the town has agreed to split the railing zone project and Interlude is able to pull a separate permit for balconies. Contractor will draw up what the balconies will look like soon. More discussion at annual meeting.

IV. New Business

Jami discussed Laurelwood Unit Services Association. 30 years ago, Laurelwood setup a management company, though they did not want it to be a part of the HOA for legal reasons. This was setup as a non-profit organization that did not require every owner to be a member, meaning the HOA and management company would be two separate entities. LUSA would like to extend their management services to Interlude HOA and make Interlude HOA a part of their partnership. Interlude HOA will retain all the same services they were receiving before. LUSA would replace DRS and eliminate the corporation aspect. This would include but is not limited to managing HOA, setting up meetings, creating agendas, preparing budgets and paying bills. With this change, The Timberline has offered to begin sharing services such as accounting personnel, which would offer LUSA a checks and balances system and provide financials to all associations. In the end, Interlude owners would not lose any services and instead they would gain services and support. David asked what the benefit of joining LUSA's rental program would be. Jami & Jake responded with proposing a nightly usage fee vs. a percentage of rental

income. They stress the fact that LUSA is a non-profit – they will cover their expenses and the rest goes into the owner's pockets.

Lacy mentions that if there is a chance to breakaway from Hyatt's management company, we have an opportunity to simplify our usage of Skip's employment. Lacy mentions he does not want Skip to be serving other associations and would prefer his sole focus to be on Interlude. He also wanted to review at how the lease of IN102 is managed. Lacy would like to look at all aspects of this situation and have the result be cheaper, smoother and more straight-forward than how it has been handled through Hyatt. Jami mentions that Laurelwood also has an association unit too and we can share tips on how that is managed financially. Lacy inquires about if losing a larger corporation as a management company would increase costs of insurances, audits, etc. Jake responds by saying that Hyatt has not been managing those aspects of our HOA's which has been an ongoing frustration with Hyatt usage. The insurance through Hyatt does not cover nearly as much as the insurance we retained with DRS, before the Hyatt transition. When Lowe's owned DRS, they were a wealthy company – Hyatt is getting by, by the skin of their teeth. The deductible for Hyatt insurance is \$25,000. Banks are less likely to give loans or do refinancing for owners because of this and the General Manager of Destination Snowmass/Hyatt has been outsourcing insurance for all HOA's since the Hyatt takeover.

Jake continued to talk about the pros and cons. If Laurelwood and Interlude leave Hyatt in terms of a rental perspective, right off the bat we would likely lose 10% of bookings. Can we make these bookings up through our partnership with The Timberline and creating our own marketing strategies? Probably so. Together with The Timberline and Laurelwood, our three properties could tier from Interlude (highest), The Timberline (mid-range), Laurelwood being the lowest. There is no real competition between the three and we can enhance our marketing outreach by marketing together as a complex of properties that compliment each other. Adding the lower management fees into the mix means more take-home money at the end of the day.

Lacy agrees that eliminating the corporation from our HOA's would maximize support and he's was in support of joining LUSA in this effort. Lacy addressed Skip again, stating how grateful Interlude owners are for his services and his dedication to the property. Interlude owners want to protect Skip in this agreement. Skip states about how happy he is to be working for both Interlude and Laurelwood HOA's, and how the sharing of services & resources with Laurelwood has worked well and he believes it will continue to work well. Skip does not see a reason to stop working together. Lacy says he is confident we can all come to a mutual agreement, as just sharing services between Laurelwood & Interlude is a much cleaner and simpler way in comparison to sharing services with all the DRS properties. Ernie inquires about if Skip will begin to get paid directly from the owner for unit projects. Jami suggest that it go to the Interlude HOA budget to offset Skip's salary, although Interlude can structure this how they'd like. Ernie and Lacy would like to discuss the structure of this at a later time with more refinement, and Jake let's them know it is ultimately up to them – Laurelwood would just process the payroll.

Jami indicates the Laurelwood board is giving notice on October 31st, 2020 to Hyatt & Destination Residences Snowmass of their HOA termination. There is a 60-day clause, which would make the official breakaway on January 1st, 2021. Jami stresses the importance of Interlude HOA giving their termination at the same time if that is the route they would like to go. David wonders if Interlude owners would need to go an additional month with DRS and stresses that this is a difficult time to be breaking away from Hyatt, as it is right before busy season. Jami agrees that this is not an ideal time, but the simple fact

is that Hyatt has offered us less support & in turn has created more problems for us than solutions. David asks Jami if her whole team is staying with LUSA? The answer is yes. He also questions if LUSA is putting a rental proposal together. Jami answers yes, with a proposal on its way.

Overall, the majority of the board agrees that LUSA as a management company would be a better option for Interlude HOA, as they feel Hyatt does not and has never understood the property management side of the HOA. The board agrees to postpone voting to further discussion.

V. Adjourn:

David McGrath & all in favor