



Board of Directors Newsletter, 3-30-2020

Dear SMC Owners:

In addition to trying to work out the best course of action with respect to limiting the spread of the Coronavirus within the property, as described in our two newsletters sent out in March, the Board has been discussing a number of other topics in recent months. This newsletter is an update on the outcome of some of those discussions.

Financial Relief for Owners

The Board has decided that there will be no Major Maintenance assessment included in your April Assessment invoice. We have decided to forego this assessment charge for this quarter in order to provide some relief for Owners who may be financially impacted by the economic slowdown due to the Global Coronavirus pandemic. The Board will adjust their capital investment plan to account for this loss in capital reserve income, and has no intention to try to recoup this loss through future assessments. This financial relief is a one-time event, and Owners should fully expect to see the regular Major Maintenance assessment payment amount reinstated on their next quarterly invoice in July.

Plumbing and Electrical Interfaces – HOA and Owner Responsibilities

The division of responsibility between Owners and the HOA with regard to various installations, including plumbing fixtures and fittings, electrical fittings, etc., is generally understood to be that the HOA “owns everything behind the interior walls”, and the Owner owns everything “in front of (Owners side of) the interior walls”. Uncertainty arises when certain functional equipment in the interior of the Unit attaches to services provided by the HOA which are contained behind the interior walls, essentially “bridging” the interior wall (or ceiling or floor). In these circumstances, responsibility and accountability is less clearly defined. This has been highlighted recently in a few different cases where we have had leaks within Buildings that on investigation have arisen at some of these interfaces.

The Board has now developed a set of drawings (attached) that illustrate, in the case of plumbing, the point at which responsibility transfers from Owner to HOA. It is the policy of the Board that the points of attachment of the “HOA pipework” that supplies water to functional fixtures or fittings (or takes away waste water) is the responsibility of the Owner, not the HOA. The rationale for this is that these fixtures, fittings or housings are part of a larger functional piece of equipment that serves a purpose for the Owner inside the Unit, and belong to the Owner. Additional support for this rationale is that the functional equipment of the above type that is assigned to the Owner may be replaced by the Owner, for instance during a remodel or other upgrade of the Unit, so it is logical that the correct installation of this functional equipment (new bath, new sink, new shower controller, etc.) is the responsibility of the Owner. It also follows that if the equipment is installed incorrectly or subsequently fails for whatever reason, it is the Owner’s responsibility to pay for any repair or replacement. In addition, the Owner is responsible for the

Snowmass Mountain Condominiums

P.O. Box 5124 55 Upper Woodbridge Road Snowmass Village, CO 81615

Mike Mitchell, President: mbmmitch@gmail.com ; Kirk Samsel, Vice President: jsamsel@hotmail.com ;

Merc Mercatoris, Treasurer: dmerc6416@gmail.com ; Tom Sherman, Secretary:

tsherm1210@gmail.com ; Kristin Ericson, Director: keepar@aol.com

Steve Frischmann, Property Manager: mighty4@mightymousemanagement.com

cost of any repairs from damage caused to other Units or Common Elements by the failure of such connections, fixtures or fittings.

In the case of electricity, it is clear that the HOA is responsible for delivery of mains electricity to the circuit breaker within a given Unit, and any failure in this provision of electricity is the responsibility of the HOA to address. However, by analogy with the examples quoted above, the Board's position is that it is not responsible for the circuit breaker panel itself, which is functional equipment accessible from and specific to the Unit and "bridges" the interior wall. Owners may choose to change or add circuits to the panel or resize it during remodeling, for example, so again it is appropriate for Owners to take ownership for their circuit panel and the correct wiring of additional cabling employed throughout the Unit. By extension of this logic, any wiring between the circuit breaker panel and individual outlets within the Unit is the Owners responsibility, even though such cables may pass "behind the interior walls" between the panel and the functional outlet (e.g. light fitting, receptacle, switch point, stove outlet, etc.) located elsewhere in the Unit.

The Board does not anticipate that these rules will be contentious, and believes that most Owners will have assumed that this division of responsibility was the case already. The diagrams and supporting logic has been developed primarily to provide clarity to our Property Manager regarding these areas of responsibility

Owner and HOA Charges in the case of Plumbing or Electrical Problems

The HOA Property Manager is often the first person called when there is an emergency plumbing or electrical problem within a Unit. This is understandable, in that emergencies occur and it is in the HOA's as well as the Owner's interest that such emergencies addressed promptly, so it is inevitable that our Property Management Company will get involved in the initial troubleshooting of such problems. Several such examples have been encountered in recent years, for instance where plumbing leaks originating in one Unit are detected by a lower Unit and immediate action needs to be taken. Sometimes the underlying fault lies within the area of HOA responsibility (as defined above) and sometimes it is the Owner's responsibility. In the instances where the source of the problem is found to be an HOA responsibility, then the HOA bears the cost of the initial troubleshooting and subsequent repair. In the instances where the source of the problem is ultimately found to be an Owner's responsibility, the Property Management Company's costs involved in troubleshooting the problem, and any subsequent involvement, will be billed to the Unit Owner. The rationale for this is that the Property Management Company is employed to do work on behalf of the HOA, not individual owners, and if they spend time solving problems that are the Owners responsibility, it is appropriate for the HOA to be reimbursed for the time spent.

The expectation of the Board is that while the Property Manager may well be involved in any initial troubleshooting, if the root cause of the problem is the Owners responsibility, then the Owner would be responsible for organizing any subsequent remedial work, including selection and scheduling of contractors, etc. The Board recognizes that this may be problematic for Owners who do not reside full-time in their Unit and who live too far away to be able to travel easily to the property to oversee remediation. In reality, this is a problem for most people who own two properties. If the Owner is not able to orchestrate the necessary remedial work remotely, nor be present on site, then one solution would be to ask a local friend or neighbor to act on their behalf in such cases. Failing this, another option is to

Snowmass Mountain Condominiums

P.O. Box 5124 55 Upper Woodbridge Road Snowmass Village, CO 81615

Mike Mitchell, President: mbmmitch@gmail.com ; Kirk Samsel, Vice President: jsamsel@hotmail.com ;

Merc Mercatoris, Treasurer: dmerc6416@gmail.com ; Tom Sherman, Secretary:

tsherm1210@gmail.com; Kristin Ericson, Director: keepar@aol.com

Steve Frischmann, Property Manager: mighty4@mightymousemanagement.com

contract with a local property management company to be available in case of emergencies. The agreement the Board has with MMM is to provide services to the HOA, for which we have an agreed fee structure and budgeted hours, and it is not reasonable to expect MMM to have staff available with the additional time to serve as the Owner's "property manager" to oversee the longer term remedial work, which can be very time-consuming. Addressing emergencies is one thing, overseeing longer term remedial work is another.

We hope that the Owners will understand the position of the Board. We are not trying to "wash our hands of responsibility" to individual Units – we will be there as necessary to troubleshoot emergencies - but at the same time we need to ensure that the Property Manager has the time to spend on HOA needs, which will not be the case if the Manager is drawn into overseeing remedial work for individual Units.

Owners Insurance

Related to the above discussion on plumbing, we have had at least three examples in the last year where a leak in one Unit has caused damage to the Unit below it. This has included one dishwasher problem and one humidifier problem for which the Owners of the leaking Units are liable. Water leaks of this type can quickly cause substantial damage to lower Units, which is why both the Board and our Insurer highly recommend that Owners have their own property Insurance, including personal liability insurance, which protects the Owner against damage done to other property, be it another Owners or to the Common Elements belonging to the HOA. We once again urge all Owners to review their policy, or take out owner insurance if they don't have any, to make sure that their personal liability coverage is adequate to protect them from the potentially large repair costs for damage they may accidentally cause to other property within the complex.

Short-term Renters

We have received complaints again this winter about the failure of some of our short-term renters to adhere to the rules of the complex, be it smoking, not putting their trash in the trash shed, making too much noise, not being considerate of other residents, etc. We request that any Owner renting their property short-term ensures that every renter group receive a copy of our "abbreviated rules and regulations", so that there is no excuse for them not knowing the rules. We also intend to issue warnings promptly to short-term renters if we receive a complaint, in the hope that this will act as a deterrent, and if we observe or are furnished with a photograph of any rule-breaking, we will issue a fine on the basis of this evidence.

Long-term Renters

We are ware of at least one instance where information provided in several newsletters did not reach the long-term resident living in a particular Unit. Owners renting to long-term residents are reminded that it is their responsibility, not the Board's, to ensure that their tenants are kept up to date with the evolving rules, regulations and expectations of the HOA and their Property Manager. The Board tries hard through its Newsletters to keep owners informed – Owners must do the same for their long-term renters, and should be forwarding the Newsletters and other relevant information as appropriate.

We hope that all of our Owners and families are keeping safe and healthy in these difficult times.

SMC Board of Directors

Snowmass Mountain Condominiums

P.O. Box 5124 55 Upper Woodbridge Road Snowmass Village, CO 81615

Mike Mitchell, President: mbmmitch@gmail.com ; Kirk Samsel, Vice President: jsamsel@hotmail.com ;

Merc Mercatoris, Treasurer: dmerc6416@gmail.com ; Tom Sherman, Secretary:

tsherm1210@gmail.com; Kristin Ericson, Director: keepar@aol.com

Steve Frischmann, Property Manager: mighty4@mightymousemanagement.com

Diagrams

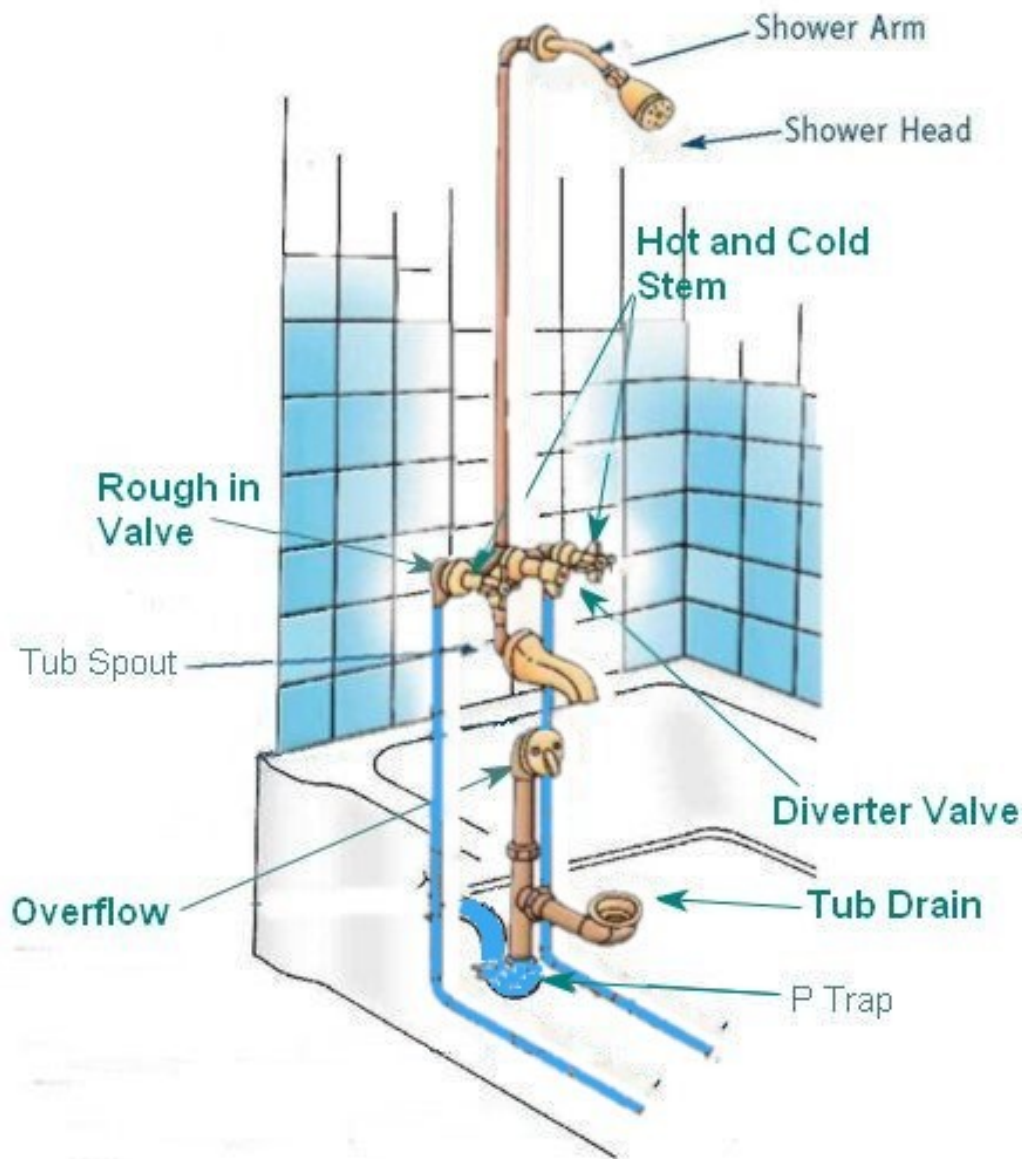


Diagram 1: Typical shower/bath fitting
In this diagram the HOA owns the blue piping

Snowmass Mountain Condominiums

P.O. Box 5124 55 Upper Woodbridge Road Snowmass Village, CO 81615

Mike Mitchell, President: mbmmitch@gmail.com ; Kirk Samsel, Vice President: jsamsel@hotmail.com ;

Merc Mercatoris, Treasurer: dmerc6416@gmail.com ; Tom Sherman, Secretary:

tsherm1210@gmail.com ; Kristin Ericson, Director: keepar@aol.com

Steve Frischmann, Property Manager: mighty4@mightyousemanagement.com

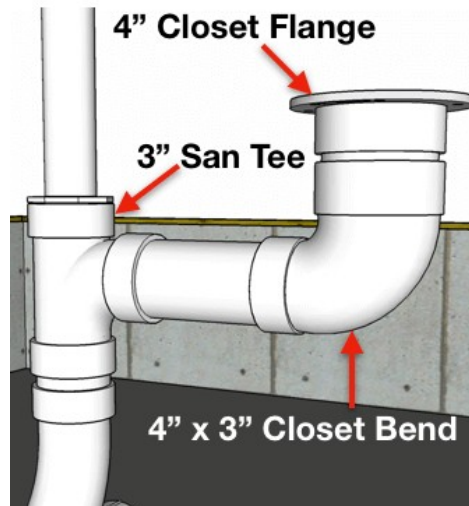


Diagram 2: Typical toilet waste pipe fitting

In this diagram, the HOA owns everything up to and including the Closet flange, unless it is damaged by the owner or owners' representatives.

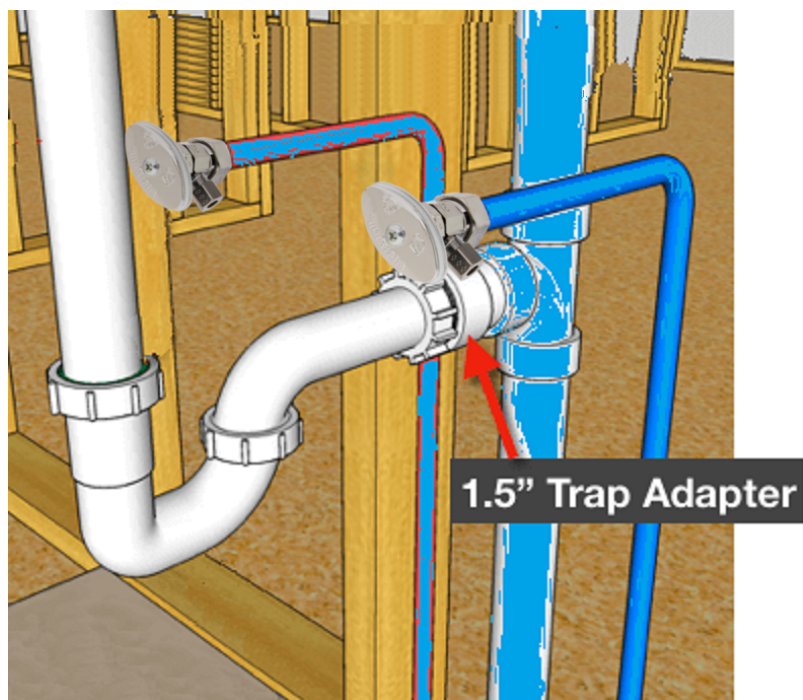


Diagram 3: Typical sink, shower or bath waste pipe fitting

In this diagram, the HOA owns the blue piping. Note that the shutoff valves are owned by the owner.

Snowmass Mountain Condominiums

P.O. Box 5124 55 Upper Woodbridge Road Snowmass Village, CO 81615

Mike Mitchell, President: mbmmitch@gmail.com ; Kirk Samsel, Vice President: jsamsel@hotmail.com ;

Merc Mercatoris, Treasurer: dmerc6416@gmail.com ; Tom Sherman, Secretary:

tsherm1210@gmail.com; Kristin Ericson, Director: keepar@aol.com

Steve Frischmann, Property Manager: mighty4@mightyousemanagement.com