

Homestead at Three Peaks

March 2013

Memorandum to Homestead at Three Peaks Owners re Exterior Building Maintenance Responsibility

Dear Homestead at Three Peaks Owner,

This letter is sent with regard to responsibility for exterior building maintenance at Homestead at Three Peaks. Currently, the Homestead Association Governing Documents state that the Association is responsible for exterior building maintenance. At the 2007 Homestead Annual Owner Meeting, owners present were in favor of delegating exterior building maintenance responsibility to individual unit owners; however, proper paperwork was not filed to incorporate this change.

Legal Counsel has reviewed our existing Governing Documents as they relate to exterior building maintenance and provided input on the possibility of delegating responsibility to unit owners; the Board has also met to discuss. Following are some of the highlighted "pro's and con's" from discussions:

HOA Maintains Responsibility for Exterior Building Maintenance (per current HOA Documents)

*Pro's*

- Ensure proper upkeep of all units
- Economies of scale benefits
- Less burden on second home owners
- No revision necessary to Governing Documents

*Con's*

- HOA dues must cover expenses

Individual Owners Responsible for Exterior Building Maintenance

*Pro's*

- HOA dues would not need to cover maintenance expenses

*Con's*

- Individual Owners would need to provide proper upkeep of their Building exteriors (may be difficult for second home owners not present)
- Increased difficulty to ensure proper upkeep; as the buildings age, maintenance needs will increase.
- Association will not have "control" to ensure owners complete proper maintenance; as the community ages and the occupant makeup changes (possibly converting to more of a rental Community), owner interest in completing exterior maintenance needs may decrease.
- Possible use of unqualified contractors, Individual Owners now responsible to ensure contractors have proper insurance

- Possible reduction of second home market buyers who prefer association maintenance, resulting in decreased home values
- Cost of declaration amendment

Per lengthy discussion and review, the Homestead at Three Peaks Board of Directors recommends abiding by the existing Homestead at Three Peaks Association Declaration and maintaining Association responsibility for exterior building maintenance. Attached is an updated "Maintenance Responsibility Chart".

Please remember that per the Association Declaration, individual unit owners are still to maintain insurance coverage on your entire home.

Sincerely,

Homestead at Three Peaks HOA