

Edelweiss Haus

Board Meeting December 8, 2021, 11 AM Mountain time

Board member attendees: Hilary Williams, Chris Faris, Ellen Carpenter, Patricia Spross

Guests: **All Seasons HOA Management:** Mike Howe, CFO

The discussion was confined to the review of the 2 offers received for the HOA units for sale. Unit 200 and the lobby. The first offer was only for unit 200 (manager's unit). The second offer was for both unit 200 and the lobby.

First offer – [REDACTED] The offer was limited to unit 200. This offer would leave the HOA in the difficult position of owning the lobby unit with its attendant legal restrictions (need to re-plot) to allow for residential use, as well as the absence of plumbing for this unit. On the positive side, the offer is all cash and is for a higher amount than the competing offer. There was some discussion about repurposing the lobby as a social area for owners, as had been discussed in prior board meetings. However, some Board members expressed concern about the attendant costs to refurbish and maintain the space.

Second offer – [REDACTED] This is a cash offer for both units. The price offered for unit 200 was significantly less than the competing offer. The offer for the lobby unit was contingent on obtaining permission from the PC governing authority to combine the 2 units into one residential units. The offer includes a request for 120 days to complete due diligence, at which point the offer expires.

Clarification of tax impact: Mike Howe confirmed that there is no time limit for the HOA to spend the proceeds of the sales. The proceeds can go to the capital reserve account for an unlimited period of time. The time period restriction refers only to loss carryforwards. We can use the proceeds to offset the 2020 loss, and the probable 2021 loss, but the IRS would likely frown on extending the offset to other years.

Next steps: Given that each offer has its advantages, the board agreed that counteroffers to both parties are warranted. Hilary will approach both owners and advise them to await our counterproposals. Hilary also approached HOA attorney James Ziter who has since reviewed both offers. Ziter has agreed to join the next board call (scheduled for 12/13) to advise us further.