

Smugglers' Notch Homeowners' Association, Inc.

SNHA – 2019 Structure for Services and Fees

The SNHA has been working on behalf of homeowners and Regimes since the 1960's. As the Village has grown, so has the need for the full homeowners to address concerns and interests particular to their Regime. Through the years, as SNHA continued to support the needs and interests of the full homeowner group as a whole, individuals within each Regime called upon SNHA to do more for their Regimes.

In the late 1980's, Regimes recognized the need for long range plans, budgets, and funds to accomplish a growing list of work related to the primary structures, decks, and roofs and other shared components of the full owner buildings. Homeowners asked SNHA to assist. Since that time, SNHA has helped the Regimes accomplish numerous and substantial major repair projects as well as develop annual maintenance for the Regimes. Increased involvement by Regime Directors working with the SNHA staff and the Board has resulted in the development of the administrative infrastructure needed for this process of planning, budgets, and reserving funds. This has all evolved from the general appointment of SNHA by the Regime Directors for SNHA to assist as Agent for the Regime. Serving as Agent for the Regimes since 1993, SNHA has developed the comprehensive structure of services as you find described below. As some Regimes have become more invested in this process than others, a restructuring of the fees charged by SNHA is in order. In the past, every homeowner paid the same dues regardless of the level of services delivered to their Regime. Beginning in 2012, fees for service will be charged according to the level of services delivered.

At the core of SNHA's total package of services is the infrastructure required to deliver services to the homeowners as described in the SNHA Bylaws and in Part I below. Funding this infrastructure is the responsibility of those that benefit, and is prerequisite to maintaining the ability for SNHA to provide the additional services to Regimes as described in Part II below. These two separate roles are integral and one depends upon the other. SNHA's position is that when a majority of homeowners within a Regime agree to maintain these relationships with SNHA, all within the Regime benefit, and therefore all must share the costs relative to the services delivered and to the proportional gain and obligation inherent in the Regime.

The services provided by SNHA as described below were not new for 2012 when this structure was implemented, but beginning in 2012, the charges for these services were restructured to better reflect benefits as delivered to the homeowner and benefits as delivered to the Regime

PART I - BASIC CORE SERVICES TO REGIMES AND HOMEOWNERS

The traditional services that SNHA provides to homeowners and to the elected SNHA Directors who act on behalf of the homeowners include:

SNHA Office and Management

- Maintain an office for delivery of services to homeowners and Regimes
- Employ, provide training for and manage SNHA staff as needed
- Design, develop, and maintain homeownership data systems
- Maintain a central SNHA contact point for Smugglers' Management Staff relative to homeowner issues
- Maintain a depository and storage for homeowner records and other information

Homeowner Interface - For the general benefit of homeowners

- Organize and hold meetings for homeowners as may be required
- Plan and organize social events for the homeowner group
- Receive and log calls and emails from homeowners
- Identify issues and trends and publish and refer findings to Board members and Committees
- Process and refer callers to appropriate SNMCO staff
- Create and maintain a Homeowner Information Book & Contract Education

Service Directory – Maintain a list of resources for products and services
Home Standards - establish with SNMCO and communicate to homeowners
Homeowner Contact Database – Maintain membership contact information
Newsletter and web site – continual update, development, and maintenance of communications
Special Notices – conduct and process routine surveys and results as desired
Identify and design special projects for the benefit of SNHA member homeowners

Administrative support to the SNHA Board of Directors

Organize, schedule, and conduct at least 5 Meetings for Directors
Gather information for Directors to set agenda for the Association
Create reports and issue periodic Communications to homeowners
Provide supporting research and data to committees for all core activities
Create and maintain accessible records of issues and actions identified by Directors
Oversight of Resort Homeowner Contracts and Fees

The Core Service Fee for the services listed above will be \$480 per home for 2019

The Core Service Fee will provide the funds required for core operations and general functions of SNHA, and will support the infrastructure necessary for the delivery of services to the individual homeowners, as well as to the Regimes whose majority are members of SNHA.

The Regime will collect and pay SNHA the Core Service fee for each home in the Regime for delivery of these services. The total core fee will be collectable as all other fees that are assessed to the homeowner by the Regime per governing documents, Vermont State statutes, or other agreements as may be established and accepted by a majority of homes in the Regime.

SNHA Membership benefits will be available at no additional charge to all homes in the Regimes that pay the fee for this Core service program. However, each home within the Regime will not be required to be an active member of SNHA, and by issuing a written request to the SNHA Office will be removed from the active membership roster for SNHA immediately upon receipt of the written request.

PART II – FEE-BASED SERVICES TO THE REGIME

With the approval of Regime Directors, or for Regimes without Directors – with an approval from at least 50% of the homeowner units within the group, and with the payment of the Core Service Fee for each home in the Regime as stated above, SNHA will provide the following services with the following fees to be assessed the group, or to individuals as is indicated for each set of services. Pro-ration of the below fees for the group will be according to the governing documents for the Regime, or according to the relative proportional benefit of the services to the home.

INSURANCE FOR THE BUILDING

The fee for this service will be \$35/home in addition to the premium that is assessed to each building. Each Regime's assessment for property insurance and for the SNHA Insurance Reserve Fund will be calculated on the insured value of the Regime property relative to total insured value of the insured group as a percentage applied to the total package cost. The calculations for the Liability and for the Directors and Officers portion of the package will be calculated on a per home unit charge. In return SNHA will:

- Make available to the Regime and manage a master policy insurance package according to the SNHA Bylaws, Regime property deeds, declarations, bylaws and other documents having governance for the provision of property and liability insurance and settlement of claims for homes, directors, and homeowners.
- Provide as may be available (at the election of each homeowner to join, and for a separate cost payable directly to the agent/carrier by each home) an option for homeowner unit owner insurance (i.e. HO6) that will be compatible with the master policy program coverage.

- Access will be available for the Regime to an SNHA Insurance Reserve Fund to minimize out of pocket loss in claims involving Regimes and homeowners. The limits and rules for application to claims to this fund and charges to be assessed in maintaining the fund will be reviewed annually and set by the Board as to provide the most economical protection for the participants in the program. The purpose of this fund is to provide additional protection with a reduced policy premium cost by accepting a higher deductible in the master policy. The Insurance Reserve Fund will then be used to cover a portion of the larger deductible when claims occur.
- Process claims for master policy loss and coordinate settlements on behalf of Regimes and in concert with individual homeowners.
- Research, design, and recommend risk and loss reduction measures to specific Regimes and to the whole group. The cost for implementation of any loss reduction programs may be in addition to master policy premiums and insurance reserve charges, and will be subject to agreement and approval by Regime Directors as described under Project Management below.

LP GAS SERVICE

This service is provided for some, but not necessarily all homeowners within a Regime on a regular and recurring basis – Fee for service will be \$38 annual fee per participating home and the actual cost of the product/s provided and/or service cost for the participating homes.

- Provide service as a group with the purpose of realizing discounts and continuity of service according to standards adopted by the SNHA Board and as required by the governing documents, laws, codes, and local rules that apply to the property.
- Maintain records to support charges and collections and make the records available in the office to the homeowners upon request. Charges for printed or electronic copies may apply and will reflect the actual cost to provide such copies or documentation.

ACCOUNTING SERVICE

For organized Regimes – Create and maintain plans, budgets, financial reports, assessment schedules, routine collections, and payments for Regime expenses – Fee for service \$1000 per Regime + \$55/home. (Example Riverside has 12 homes. The fee would be \$1000 (*) for Regime + 12 homes X \$55 = \$1,660 per year).

- Maintain and update as needed the Long Range Plan with estimates for projects and annual budgets.
- Keep account records according to industry acceptable condominium book keeping standards
- Enter invoices for charges to Homeowners per agreed upon budget
- Receive payments from homeowners and keep homeowner accounts for each home
- Send routine statements to homeowners with open balances (frequency to be agreed upon for each Regime)
- Pay bills on behalf of Regime
- Balance and reconcile bank statements monthly
- Maintain records so that an audit may be conducted if desired
- Provide Financial Reports upon request
- Assist Regimes to organize and implement periodic project and Reserve studies as may be desired and needed. These studies may be conducted by outside professionals with additional cost to be paid by the Regime or Regimes that benefit.

Townhouse groups without plans and an extensive list of routine projects to be managed by SNHA, but who have an established bank account and occasional routine projects will be charged \$55/home for maintaining the bank account, collecting fees, and paying bills.

REGIME MEETINGS

Fee for service will be \$75/meeting/distribution plus actual cost for notices, postage, teleconference or meeting room fees, and cost of other materials required

- Regime Director Meetings
 - Organize, schedule, and issue notice

- Edit and record minutes
- Edit and record action items
- Distribute materials to homeowners
- Regime Annual Meetings and other special meetings
 - Organize, schedule, and issue notice
 - Edit and record minutes
 - Edit and record action items
 - Distribute materials to homeowners
- Regime Communications
 - Organize materials to distribute
 - Distribute and record

MANAGEMENT OF REGIME PROJECTS

When a project is organized by SNHA – start to finish, a fee for service will be charged at 12% of total project cost. If a project is primarily organized and managed by others, charges for specific services by SNHA to support the project are available at rates for actual time and materials used. Management process and standards will be set by the SNHA Board and subject to approval by Regime Directors and in Townhouse groups by leaders appointed by a majority of homeowners in the group. Consultation by others as may be authorized by Regime Directors/leaders will be an additional charge to the above fees for service. Projects in this category include:

- Routine maintenance per approved budget and plan.
- Spring and Fall maintenance of common elements per plan.
- Reserve funded projects per plan.
- Special Projects as desired.

Direct Services to Homeowners

Services are also available to individual homes within a Regime that has agreed to have SNHA serve as agent in the above described structure and also to individual Townhouses whose Regime has not agreed to have SNHA act as agent for their group. These services are varied and may be delivered to groups as in water heater replacements, carpets, appliances, and other group projects, or may be distinct to the home, as in a kitchen remodel, Home Inspections, Resale Certificates and documents provided in support for the resale of a home, or a specific repair to a home. The fees for these services are either set fees for a project or group service, or are charged hourly as assistance is needed. The Resale Certificate fee will be \$125 for the provision of this document to a buyer that is required by Vermont Statute.

Please contact the SNHA office for more details and assistance for Direct Services to Homes as may be needed.

OTHER SERVICES AND NON-ROUTINE PROJECTS

Management of unanticipated, emergency, or other unplanned projects as may be desired or needed by Regimes and Homeowners can be available subject to available staff and office resources at a cost of the actual materials and management time required, plus a fee of 15% of any contracted materials and labor, or at rates agreed upon by Regime leaders and SNHA Directors.

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