

**ELK RIDGE II CONDOMINIUM OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
FRIDAY, FEBRUARY 1, 2019 – 5:00 P.M.
318 ELK AVENUE
CRESTED BUTTE, CO 81224**

Rob called the meeting to order at 5:07 p.m.

Those present:

Andrea Ouimet
Michelle Gerber
Suzette Gainous
Rebecca Peherstorfer
Rob Harper, Toad Property Management, Inc. (Manager)
Sarah and Paul, Community Banks of Colorado

Rob explained the purpose of the meeting was to discuss a future exterior maintenance project and Sarah and Paul from Community Banks had agreed to attend to explain HOA loans for maintenance projects.

Rob explained Pete of Blue Dog Home Improvement had agreed to pull together some rough figures for windows and siding and would provide that information as soon as he was finished with shoveling snow from roofs. Andrea said Holgate Construction had also expressed interest in providing a bid. Rob said Community Banks had been asked to put together financing options for a \$250,000 project although that figure was just a guess and the actual cost could be higher or lower.

Paul explained a \$250,000 loan from Community Banks for an HOA project would be interest only during construction and then convert to a five year loan, the maximum term available for an HOA maintenance project. Paul said Community Banks was currently offering a 5.6% fixed interest rate on loans which would result in monthly payments of approximately \$5,000 from the HOA over the five year life of the loan. Paul explained Sarah would be able to work with individual owners on refinancing mortgages or providing home equity loans to fund the HOA special assessments necessary to repay the loan for the maintenance project. Paul said the Bank would require 3 years of financial statements and loan payments would need to be automatically withdrawn each month from an account with Community Banks. Paul stressed the loan would be with the HOA and the HOA would be responsible to assess special assessments to individual owners to cover the monthly loan payments. Paul said there were no penalties for early repayment of the loan.

Paul explained the Bank would be able to review the HOA application with 3 years of financial statements, a Construction Budget and a plan outlining the scheduling of the Special Assessments. After discussion it was agreed it would be generally beneficial to schedule the work on all three buildings in the same year and that would

require each unit owner paying approximately \$25,000 in special assessments over the term of the loan.

Michelle suggested sending a letter to all owners and scheduling a meeting to involve owners in the Board's discussions. Paul agreed to provide Rob with the financial information to share with all the owners. Paul and Sarah left the meeting.

Rob explained there had been discussions regarding insurance coverage as the original insurance company had significantly increased the premiums and it had been necessary to go out to market and obtain new coverage. Rob said the new insurance policy information was loaded on the toadpropertymanagement.com website.

Rob said recycling was not working for the Association as the recycling was being contaminated and then not picked up by Waste Management. It was agreed recycling would be immediately stopped and Rob would notify Crest House.

Rob said the January, 2019 \$250 special assessment agreed at a prior meeting had been delayed and after a long discussion it was agreed to structure the special assessment differently as it was necessary to start building up more money in a reserve account for a future project. Andrea made a motion to immediately assess a \$150 per month special assessment, \$1,800 for 2019, effective from January 1, 2019 with the funds going into a separate bank account for the future maintenance project. Payment of the special assessment could be made monthly at the rate of \$150 per month, per unit (\$300 due in February 2019) or as a one-time lump sum of \$1,800 and the sale of any unit during 2019 would trigger full payment of the \$1,800 at closing. Suzette seconded the motion and it was unanimously approved. Rob agreed to draft a letter to owners stressing the need to perform an extensive exterior maintenance project to protect the buildings and provide information about construction costs, if available by then, and details of a potential bank loan to fund the future project.

Michelle made a motion to adjourn at 6:24 p.m. Andrea seconded the motion and it was unanimously approved.

Prepared by Rob Harper
Toad Property Management, Inc.