

**MINUTES
GATEWAY CONDOMINIUMS
SPECIAL MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, MAY 27, 2020 – 4:15 P.M.
318 ELK AVENUE, CRESTED BUTTE**

Present by zoom: John Gavras
 Jean Woloszko
 Eileen Swartz
 Steve Figlewski
 Greg Cielinski
 Neil Gamblin
 Roger Rolfe
 Scott Kelley, Toad Property Management

The meeting was called to order at 4:26 pm. Jean explained the construction contract required the Association to carry liability insurance for the project and the current liability insurance was not sufficient. Jean said the Association's insurance agent had proposed a WRAP policy with a premium of \$200,000 and that had not been accepted. Jean introduced Aaron Ellsworth to explain some insurance options available to the Association. Aaron suggested four types of coverage and explained the benefits of each type of coverage and options available. Aaron explained the Company had a \$15,000 fixed fee for their Risk Management Consultancy Fee and the Company would be available to find the right coverage, review all documents related to the building and the construction, and assist for seven years if necessary.

Concern was expressed about duplicating coverage with the Builder's Risk Policy and the existing liability coverage and Aaron recommended reaching out to the existing insurance agent and requesting written confirmation from the Underwriter that sufficient coverage was in place for the construction project. Aaron explained the Builder's Risk Policy would cancel on completion of the project and the Owners Interest Policy would be a one-time payment and remain in place for 7 years.

Aaron explained the wording in the existing Umbrella coverage up to \$10 million would probably not cover any events during construction. Aaron left the meeting and the Board continued to discuss the options.

John agreed to reach out to Stefan at the existing insurance company and get a verbal decision on whether the existing policy would cover incidents occurring during construction. A letter confirming the decision would be necessary if the answer was yes.

Eileen made a motion to pursue a Builder's Risk Policy with \$1.5M coverage for either \$8,000 or \$30,000 depending on the answer from the existing insurance company. An Owners Interest Policy with coverage of \$2M if deemed necessary and the Risk Management Consulting Fee of \$15,000. Greg seconded the motion and it was unanimously approved.

John said the sub-committee for the construction project was covered by the existing D&O coverage but he would reconfirm that with the insurance company.

Greg said construction was due to start on Tuesday, June 2, 2020. The contract had been through multiple changes and COVID-19 restrictions had been relaxed enough so work could commence. Scott confirmed all owners had made the first construction loan special assessment and owners were sending in payment for their windows. Roger said verbal approval for the Community Banks loan had been given but he was still waiting for the paperwork. Greg made a motion to accept the Construction Contract circulated by ASR

prior to the meeting and John would sign as President. Eileen seconded the motion and it was unanimously approved.

Greg made a motion to approve the special assessment for doors and windows for the owners who had not already replaced their doors and windows. Steve seconded the motion and it was unanimously approved.

Greg suggested having an area to wash mountain bikes and it was agreed Greg should meet with a plumber and find out cost and location.

Greg said ASR would be periodically submitting invoices during the construction period and those invoices would be paid from the Community Banks loan and at the end of the project owners would either pay their percentage based on square footage or enter into the new loan with Community Banks. A letter would be sent to owners to explain the process and advise owners of their percentage of the total cost. Greg said the Construction Contract estimated 19 weeks for the work with a completion in mid-October.

Scott said the annual meeting would be on July 16, 2020 and the meeting would be a Zoom meeting.

The meeting adjourned at 5:38 pm.

Prepared by Rob Harper,
Toad Property Management