

**THE TIMBERS OWNERS ASSOCIATION, INC.
ANNUAL HOMEOWNERS MEETING
OCTOBER 1, 2018
318 ELK AVENUE, SUITE 24**

Those Present:

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| Unit 014 | Ann Mallow |
| Unit 100 | Emily Herbert |
| Unit 102 | Tim Covington |
| Unit 109 | Nate and Regina Meckes |
| Unit 203 | Evan Sandstrom |
| Unit 304 | Winston and Stacey Schultz |
| Unit 306 | Marguerite Roy |

Rob Harper, Toad Property Management, Inc.
Jim Ruthven, Toad Property Management, Inc.

Those Participating by Phone:

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| Unit 004 | Jamie Moo-Young |
| Unit 010 and 012 | Ahmad Ghazanfari |
| Unit 104 | Chris Hiles |
| Unit 107 | Erin Stock |
| Unit 112 | Mike Arth |
| Unit 201 and 305 | Susan Bencivenga |
| Unit 204 | Sarah Pallotti |
| Unit 208 | Bill Myers |
| Unit 300 | Reggie Park |
| Unit 303 | Kat Hassebroek |

Marcus Lock, Law of the Rockies
Chris Rockers, Public Adjuster

Proxy to Kat Hassebroek:

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| Unit 201 and 305 | Susan Bencivenga |
| Unit 010 and 012 | Ahmad Ghazanfari |
| Unit 310 and 312 | Steve Daniels |
| Unit 209 | Julie Sullivan |
| Unit 212 | Dan Foster |
| Unit 108 | Keith Stieduhar |

Rob Harper called the meeting to order at 5:34 pm and confirmed there was a quorum and said notice of the meeting had been mailed on September 7, 2018.

Tim Covington made a motion to approve the minutes of the October 4, 2017 annual meeting. Kat Hassebroek seconded the motion and it was unanimously approved.

Rob Harper introduce Chris Rockers, the Public Adjuster, and Chris gave an update on the recent insurance claim with Seneca and said the next steps would be comparing the insurance company repair estimate with the estimate prepared by KW Construction and reviewing the insurance company engineer's report once those documents were available. Chris said there were ongoing discussions with Seneca regarding what work was covered under the insurance policy.

Marcus Lock acknowledged there was frustration amongst owners regarding the repair of the building and said emergency repairs had been made by KW Construction and Seneca, the insurance company, had recently paid approximately \$400,000 to KW Construction for that emergency work. Marcus explained a forensic engineering firm had been hired by the Association to inspect the building and ascertain why the damage occurred and how to fix the problem and make recommendations to prevent a future occurrence. Marcus said the engineer's report confirmed the problem occurred because of high pressure and a faulty joint, and the Association was implementing the engineer's testing and repair recommendations as outlined in the engineer's report. The Association had hired Dynamic Fire Systems to make repairs and perform a pressure test for 14 hours. Marcus said just today Seneca had denied payment for the Dynamic test and any additional damage or repairs as a result of that test. Marcus explained the association was proceeding with the test and if the pressure test and repairs were successful owners would be able to get back into the building following the completion of reconstruction, but if the test failed it would be necessary for the association to take further action against all the responsible parties. Marcus said statutory notice had already been given to Mt. Crested Butte Water & Sanitation District regarding the water pressure into the building and additional notices would be issued to other entities shortly. Marcus explained Seneca, the insurance carrier, was progressing very slowly in dealing with the claim and everything was being done to keep the process moving along.

Rob Harper opened the meeting up to questions from those in attendance at the meeting and asked that owners on the phone email questions in an effort to answer all concerns. Marcus explained a statutory notice outlined the amount of the loss and notified the entities that those entities were considered liable for the damage. The Association will also be proposing a tolling agreement with certain parties, which would allow the Association to proceed through this matter without worrying that the statute of limitations or similar doctrines would diminish the Association's opportunity to file lawsuits in the future if necessary or advisable. Chris Rockers said some unit owner insurance carriers had reached out to him and those carriers were in contact with Seneca and at the present time there was not anything that individual owners could do to make Seneca move quicker. Rob Harper explained if the repairs and pressure test were successful KW Construction would be ready to move forward with the repairs and once the alarm system was operational and drywall was in place in the hallways, the Town of Mt. Crested Butte would remove the condemnation on the building and owners and tenants would be able to move back into undamaged units with other units being occupied as they were completed. Rob said KW Construction thought the initial work to enable the third floor occupants to move back into the building would take approximately 30 days to complete following a successful pressure

test and that pressure test would be performed within the next couple of weeks. Rob explained the building would be heavily monitored during the pressure test in an effort to keep any additional damage to a minimum and said the Dynamic proposal was approximately \$11,000 to complete the work identified by the forensic engineer.

Rob asked that owners email any additional questions and Marcus Lock and Chris Rockers left the meeting. Rob agreed to compile a document setting out the specific emailed questions and the responses and distribute that document to all owners. Rob reminded owners to keep at least 50 degree heat in all units and said KW Construction were at the building on fire watch and able to let owners into units to check the heat. Erin reminded owners that units must be left unlocked to allow emergency access if necessary.

Rob said a financial report had been distributed with the meeting notice and explained due to the insurance company cancelling the policy in May 2018 it had been necessary to move the policy to Seneca and the insurance premium had jumped from \$13,000 per year to \$39,000 and the deductible jumped from \$5,000 to \$50,000. Rob explained the Seneca policy was for a year and the 2019 Budget had a line item of \$50,000 for insurance although it was not known at this time if that figure would be sufficient to cover the May renewal and Rob said a \$30,000 special assessment had also been added to the 2019 Budget to hopefully cover any premium increases in 2019.

Rob said \$300,000 had been received from Seneca for repairs and owners had paid their recent special assessment and those funds would be applied to the testing and repair of the building. Jim Ruthven confirmed the association currently held \$343,000 in the bank. Ann Mallow made a motion to approve the draft 2019 Budget. Evan Sandstrom seconded the motion and it was unanimously approved.

Rob explained Ann Mallow was willing to continue on the Board and no additional names were put forward. Evan Sandstrom made a motion to appoint Ann Mallow to the Board for a three year term. Kat Hassebroek seconded the motion and it was unanimously approved. Rob thanked the Board for their hard work during a few difficult years.

Rob said the pressure test in the building would be very carefully monitored in an attempt to reduce further damage and Erin suggested owners remove any important or irreplaceable items from their unit prior to the test. Rob said a date for the test had not yet been set but Dynamic were already in the valley on another project and work might start within a week.

Evan Sandstrom made a motion to adjourn at 6:17 pm. Ann seconded the motion and it was unanimously approved.