

**CRESTED MOUNTAIN NORTH HOMEOWNER ASSOCIATION
ANNUAL MEMBER MEETING
Wednesday, November 10, 2021 – 1:00 P.M.
VIA ZOOM**

Present: Rosalind Cross (J1, J2 and L6)
Bill Eggert (L8)
Amy Savin (L5)
Jody Savin (L9)
Stephanie Duffield (J3 and J4)
Lisa Laughlin Schneider (J6)
Geoff and Pauline Gough (L1)
Julia Gearhart (K1)
Matt Russell & Caroline Hill (L2)
Melissa Stewart (L4)
Lindsey Olsen (J5)
Rob Harper, Toad Property Management
Joe Robinson, Toad Property Management
Aaron Huckstep, Association legal counsel

Proxy to Bill Eggert:

Anne Chang (L3)

Proxy to Melissa Stewart:

Brett Shomaker (L7)

Rob called the meeting to order at 1:00 p.m, took the roll call, and confirmed a quorum. Rob confirmed that notice of the meeting had gone out by email on October 25, 2021, and all owners had signed a waiver to accept notice by email instead of regular mail.

Rosalind Cross made a motion to approve the minutes of the February 4, 2021 meeting. Melissa Stewart seconded the motion, and it was unanimously approved.

Rosalind welcomed new owners Matt Russell and Caroline Hill to L2 and Anne Chang to L3.

There was a lengthy discussion about the L Building heating issue. Rosalind explained that restoring heat to all units of the L building had involved replacing a heat exchanger that was internally corroded and therefore not under warranty. Rosalind explained that the chemical feeder that should have treated the water and prevented the corrosion had not been set up correctly. Rosalind explained that the chemical feeder was still not hooked up to the system, and it had proven difficult to find someone to do that work. Rosalind said that the system was scheduled to be inspected and serviced by technicians from Lochinvar.

Rosalind said that if the HOA was successful in its efforts to recover the funds spent on repair of the boiler system, those funds would be returned to the L-building owners. Rosalind added that the discussion about compensation for the repairs would need to include consideration of possible damage sustained by the system's second heat exchanger, which was currently still functioning but had also been exposed to untreated water for several years.

Rosalind said that the Board had been working with Aaron Huckstep ("Huck") to send demand letters to the appropriate parties. Huck explained that, after careful consideration, the Board had directed him to

send a demand letter to Black Dragon Development, the General Contractor for Crested Mountain North, and two subcontractors: Buckhorn Consulting, the mechanical engineers who were believed to have vetted the design of the heating system, and Keenan's Plumbing and Heating, the company that was believed to have done the installation of the heat exchanger. Huck said that Crockett Farnell of Black Dragon Development had already responded to the letter with the suggestion of organizing a conference call between all potentially responsible parties and the Board. Huck explained that there was a process under Colorado Law that allowed the construction professionals who had received the demand letters to inspect the heat exchanger themselves and propose a resolution to the Board. Huck said that if the proposed resolution was not acceptable to the Association, the Association then had the ability to pursue litigation.

There was interest from some homeowners in learning more about the details of the malfunction that had caused the loss of heating in the L building. However, Huck cautioned the Board against speculating on questions that required a specialized technical background.

Rob thanked the Board for their hard work on this issue.

Rosalind said that significant work had been done to address the water coming in through the J building foundation. Rosalind said that the J Building foundation had been sealed externally in October, and there would now be some work done on the foundation internally. Rob said that Toad was working to schedule their insulation and waterproofing specialist to do the needed work inside the building, but that it would be a few weeks before he was available. Rosalind said that the total cost for the work so far had been more than \$15,000.

Rosalind said that grass and flower beds had been put in behind the L Building, completing a long-term landscaping project. Rob said Toad was still looking for a contractor who could install pavers or a sidewalk in the breezeway. Rob said that Toad would put in a marker to ensure that people did not ski into the wooden framing around the flower beds.

Rob said that he was working to get SealCo to stripe the parking lot and was still hoping that the work could be completed this year.

Rob said that Toad was working on Short Term Rental (STR) Approval Letters and asked that any Crested Mountain North owners who still needed a letter from the HOA for their STR license reach out to Joe.

Rob said that the budget had been circulated prior to the meeting via email and reminded attendees that the fiscal year for Crested Mountain North began on December 1. Rob said that Crested Mountain North was doing well from an operational standpoint. Rob said that the Association's insurance costs were still high, but he was hopeful that rates would go down next year. At Rosalind's request, Rob agreed to seek bids from a competing broker to ensure the Association was receiving the best available rates.

There was a discussion of the Crested Mountain North insurance policy. Rosalind said that historically the insurance policy for Crested Mountain North had covered the built-in portion of the interiors, such as cabinets, and individual owners had had the responsibility to acquire their own policy for the remainder of the interior of their unit. Rosalind said it was necessary to look into the current insurance policy to determine whether the current policy did, in fact, cover built-in interior features like cabinets. Rosalind said that there should be a discussion in future about whether the Association should decrease the coverage of the interior to decrease the cost of the Association's insurance policy. Rob said that he would send the full insurance policy to Rosalind.

Rob said that legal costs were mainly attributable to the boiler issues in the L building, and governing

documents dictated that L building owners paid those bills. Rob said that the overage for Repairs and Maintenance under Contract Labor was attributable to the L Building heating issues as well. Rob said that Water and Sewer costs continued to increase due to price increases from Mt. Crested Butte's Water and Sanitation District. Rob said that Toad prices had increased as well in an effort to attract more labor in an increasingly competitive labor market. Rob said that the 2021-2022 budget had been approved by the Board.

Rosalind said that it had been a long-term goal of the board to get the Reserve Fund up to \$100,000. Rob said the Reserve Fund currently held \$70,000. Rob said the 2021-2022 Budget increased the Capital Assessments to build the Association's Reserves. Rob agreed to send Rosalind updated account balances.

There was some discussion of the Spectrum contract. Geoff said that the 2021-2022 Budget included an increase for the Cable/Internet line item, but he believed that Crested Mountain North was still in a 5-year contract with Spectrum. Rob agreed to send Geoff a copy of the most recent Spectrum invoice.

Melissa Stewart made a motion to ratify the 2021-2022 Budget as submitted. Lisa Schneider seconded, and the motion was unanimously approved.

Melissa said that she, Amy Savin, and Lisa Schneider had taken on the responsibility of updating the Association's Governing Documents, primarily with the goal of ensuring that the Governing Documents were compliant with Colorado law. Melissa said that Huck had recommended starting with an initial review of the Governing Documents from 2016, which might reveal some necessary updates. Rosalind said that the late policy and the policy on collection of assessments were one factor that could use review. Huck said that the policy around the appointment of Board members from specific buildings could also use some clarification.

Rob said that Rosalind was the sole volunteer for the Board from the J&K Buildings and Bill was the sole volunteer from the L Building.

Lisa Schneider made a motion to approve Rosalind and Bill as the new Board Members from J and L buildings. Julia seconded the motion, and it passed unanimously.

Rosalind thanked Amy for her 3 years of service and thanked Bill for stepping up to join the board.

Melissa made a motion to adjourn at 2:10 P.M. Lisa seconded, and the motion was unanimously approved.