

Gold Basin Condominium Association

General Membership Meeting Minutes

June 24th, 2024

The Board Meeting was opened by Bill Gavenas of Crested Yeti Property Management at 5:08 pm MT. This meeting was held via ZOOM.

Bill Gavenas asked for a roll call of membership present:

See Appendix 1 for the attendance and vote register list for Motion 2. 12 of 18 members/units were present/represented at the meeting. Quorum was established.

Proof of Notice for Meeting

- Bill Gavenas stated that the notice and agenda for the meeting was sent out on June 4th, 2024, via email and physical post. The meeting was properly noticed.

New Business

Member vote on the 2024/2025 budget

- Bill Gavenas from Crested Yeti presented the budget approved by the BoD on May 3rd, 2024.
- Items to note are insurance and increased expenses for building upkeep. Dues for the July 1, 2024 – June 30, 2025, will be \$290.00

MOTION 1: Sam Smythe made the motion to accept the budget as presented for the 2024/2025 fiscal year. Seconded by Joe Bommarito.

Unanimously approved by all present.

Board Presentation/discussion on state of property (FAQ review)

- Bill Gavenas and Sam Smythe reviewed the current situation with the HOA buildings siding and roofs. The FAQ document was presented, and time allowed for questions and comments on the details of the situation and the efforts of the board and property management company to compile and share information. (See Appendix 1)
- Several discussions related to the studies, analysis and comments on project managing such an undertaking for the HOA.
- Bill Gavenas (CY) will share the existing quotes of the siding companies and the roofing quote with all members along with the financing calculations.
- Albert Hesse (proxy for Michael Hesse Unit 8) expressed concerns about getting more information via consultants on the integrity of the buildings' structure/foundation as input to the overall construction project. No motions were put forward to vote at this time but may be brought forward in the next General Membership meeting.
- Bill reviewed the possible financing options (assessment vs. HOA loan) and how these could be handled over time. Units could pay upfront or each year the opportunity to refy the loan could be made available to units to be able to pay off the proportion of the principal of that unit at refy time.

- The board is presenting a scenario that would entail a full siding and roof replacement at the same time, to ensure a tight fit for both roof and siding. Both siding companies have expressed reluctance to install siding up to the roof line where they must lift the current roofing material to install.

MOTION 2: Kevin Sack made the motion allow the board to proceed with the siding and roofing project as put forward. This entails closing applying for a loan with CBoC for approx. \$637K and progressing bids/contracts with siding and roofing companies. (Bellewether and Axtell.) Sam Smythe seconded the motion.

The motion was voted on by the attending homeowners and was approved 9 for, 3 against. (See Appendix 2 for quorum/actual voting on this motion.) This motion passed according to the bylaws.

The general membership requested that the board reach out to those that were not represented in the meeting in person or by proxy to inform them of the large project, the financial impact etc. and get them to attend a follow-up meeting. This follow-up General Membership meeting was declared and agreed by all present to on the motion. This informational meeting was agreed for Tuesday, 2 July 2024 at 5.00 pm Mountain Time.

Other new business.

- The HOA bylaws call for 3 board members. If there is any homeowner interested in joining the board, reach out to the current board or Bill at Crested Yeti for consideration at a future general membership meeting.
- As the siding / roofing project would not start until the fall, fixing all landscaping was put off. Efforts will be made now to get the pump rewired correctly and attach sprinklers to water around the property.

Adjournment of Meeting

- Sam Smythe made a motion to adjourn the meeting.
- Seconded by Katie Scott

Unanimously approved

Meeting closed at 18:36 PM MT

CONTINUATION OF GM MEETING 2 JULY 2024 start 17.00

Other new business

- A summary of the siding and roofing project was completed, and a discussion of the members ensued concerning the scope, need of every building, siding material, history etc.
- An idea to form a project committee consisting of knowledgeable and enthusiastic homeowners was suggested. This committee would review the bids, review the detail and scope, and align the detailed project plan with the actual needs of each unit / building cluster. It will report to the board during the

process of applying for the loan, engaging in contract negotiations with the vendors and making recommendations as input to those discussions.

- **Bill Gavenas will set up the first call with those interested (Mark B., Rayne G., Micaela B., Tom H., Michael B., and Marcella R.,**

MOTION 3: Joe made the motion to form a project committee to review bids and assist the board in contract scope, needs and vendors. Seconded by Sam Smythe.

Unanimously approved by all present

Adjournment of Meeting

- Sam Smythe made a motion to adjourn the meeting.
- Seconded by Micaela Albright

Unanimously approved

Meeting closed at 18:10 PM MT

Gold Basin Condominiums Homeowners Association, Inc

June 18, 2024

Dear Gold Basin Homeowners,

The existing siding on the 4 buildings of the Gold Basin Condominiums is in very poor condition and has come to the end of its natural life. Several siding companies and general contractors have evaluated the buildings and recommend replacement of the siding with a metal material and repair to any underlying material that is damaged, rotted or dysfunctional. We (the GB board) have received bids from 2 established siding contractors. During the inspection of the buildings and during a major rainstorm in May, the roof in Building 2 began leaking. During the investigation and remedy of that leak, the roofing company discovered/confirmed that the current metal roofing was laid over existing roof shingles that were likely installed when the buildings were constructed. The connection points between the metal siding and the soffits are installed poorly with excessive caulk and missing flashing. As this install of the current roof is connected through the shingles and laying on top of an existing roof material, only replacing the siding could cause more disruption to the roof as it must be lifted to insert siding material.

The board engaged a contracting company to review the siding bids (Equity Home Builders and Remodeling), inspect the buildings more closely and has also confirmed that the best solution would be to replace the roof and the siding at the same time. We received 2 bids for the siding replacement and have 1 bid for a roof replacement. The working estimate for both major projects is approximately \$580,000. See the FAQs below for details on the scope of the project.

This is a major capital improvement that needs a special assessment from the homeowners. This could be accomplished by a onetime "lump sum special assessment" **OR** it could be financed through a bank loan that would then be reflected as an additional amount added to the monthly dues for each homeowner over the loan period. For budgeting and planning purposes, we are using \$637 000 that includes 10% contingency and loan fees.

Doing a "Lump Sum Special Assessment" for the Total Share Amount (shown below) due in 30-60 days is not doable or fair. We have begun discussions with a local bank about a loan. While the exact terms are not yet known, a 7-year term loan at 8.5% is based upon a recent loan Crested Yeti has arranged for another HOA. It will probably take 90 days for loan approval thus allowing work to begin this fall.

	Loan Amount	Term	Rate	Mo Pmt	Per Unit
	\$637,439	7 Yr	8.5%	\$10,094	\$561
Lump sum assessment if no loan	\$35,413				

This is a dire situation that Gold Basin must address if the state of the buildings is to be preserved. There is no easy way or low-cost way to resolve it. A loan paid out over time with payments added to the monthly assessment has the least impact on our owners. An option for owners to pay the entire amount in full will be considered.

Gold Basin Condominiums Homeowners Association, Inc

The Gold Basin Board has decided to move forward with this bid and loan; therefore a general membership meeting is needed with a majority of units voting to approve (1) taking the loan and (2) a revised budget for the second half of the 2024-2025 budget period to add the loan payment to each unit's monthly assessment.

Please read the FAQ below. We hope they will answer most of your questions.

Sincerely,

Amber Tucci & Sam Smythe
Gold Basin Board of Directors

Gold Basin Condominiums Homeowners Association, Inc

FAQ

Is Gold Basin obligated to repair the siding and roof?

We have consulted with our attorney. Under applicable Colorado state law, CCIOA, the HOA is required to fund the repairs once the issue becomes an issue of safety or usability. The roof meets this requirement because it is leaking into units. The siding does not meet this safety requirement; however, the siding is coming off in many areas and will soon meet the usability requirements. If we wait the cost will only increase each year.

Does the cost have to be paid by all owners?

Yes. Common Element costs are the responsibility of the entire HOA and are shared equally.

What is wrong and why do we have to repair the damage today?

The current siding is made of vinyl not a recommended material for our high elevation climate. It currently is covering the original wood paneling underneath that is rotting in places and damaged in others found in tests done in several areas. The roof is installed over existing shingles and beginning to leak.

This is a brief overview/scope of the project.

Siding

The siding on the property at Wisconsin & West Rio Grand Avenue in Gunnison has come up on its lifetime and needs replacement. This project plan is for four buildings and accounts for removing the existing siding, trim, soffits, and fascia, removing any underlayment and damaged sheathing, installing up to five sheets of new OSB sheathing where needed, wrapping the house with a weather barrier, and installing new siding and trim. The siding to come in factory-finished in colors from the standard collection of the manufacturer suggested. The soffits and fascia should come factory primed and upon installation will be painted. Additionally, the plan accounts for the installation of new Aluminum 5" Seamless K-Style Gutters w/ 2x3 Downspouts.

Work Scope

- *Remove existing vinyl siding and trim
- *Inspect sheathing and replace where needed
- *Install weather barrier, flash windows, and tape seams
- *Remove soffits, fascia, and gutters
- *Install soffit framing and fascia blocking
- *Install new soffits and fascia
- *Install light blocks or existing exterior lights
- *Install new 4" trim and traditional 7" lap siding
- *Caulk down corners and around windows
- *Re-install exterior lights
- *Paint new soffit and fascia
- *Install new Aluminum 5" Seamless K-Style Gutters w/ 2x3 Downspouts

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*Keep work area tidy and remove all discarded material, with minimal impact to landscaping

Roof

Install 24 Gauge Standing Seam Snap-Loc roofing proposal for the ALL 4 buildings of the Gold Basin Condos

- Remove and dispose of current: exposed fastener metal roofing materials (all sections will be brought down to original roof deck)
- Inspect roof deck for any damage/rotten areas (Additional charges will be addressed immediately if necessary)
- Install high temperature ice and water shield over entirety of roof surface
- Install 24-gauge 1" Standing Seam Snap Lock roofing system Color: TBD
 - o Install drip edge around perimeter, Panels to folded and crimped around perimeter, and at transitions
 - o Install new sidewall, headwall, and transition flashings
 - o Utilize butyl tape and Z-Bar throughout install to ensure system is completely sealed from elements
 - o Installation method to account for panel lap in correspondence with water flow
- Clean grounds of all roofing/project related waste
- Contractor to have porta-potty onsite during duration of project

Could this be done in stages over several years?

Yes, but it would cost more as construction/repairation costs keep increasing. Doing the siding without fixing the roof will likely open the roof to more damage as it needs to be lifted to attach siding material, hence more leaking. We would have to go through the bidding and contracting process again. The bank will only give us one loan at a time.

While painful, it makes sense to take care of the known issues now.

Would insurance cover any of the repairs?

No, based on discussion with our insurance agent and our attorney. Insurance covers "instantaneous events", fire, storms, broken pipe, etc. not long-term decay due or aging from 20+ years ago.

Is this a fair price?

We have been able to receive bids from 2 siding companies and 1 roofing company when asked. Normally, you would like to have three bids or at least two. The Gunnison Valley/Crested Butte area is not a normal business/construction environment. Getting multiple bids is probably not reasonable in this environment and would certainly delay the project significantly.

Could the Reserve Fund be used?

The Reserve Fund has a little over \$83000, and a large portion will be used but it is not enough, and we still need a significant loan. We plan to leave approx. \$20K in the reserve at the time of the loan to leave us with funds to continue projects that our aging buildings need.