

Olympic Arm Condominiums

Special Meeting of the Members

February 27, 2019

5:30 p.m.

131 North 6th Street Grand Junction, CO 81501

The meeting was called to order by Present Brandi Manupella at 5:40 p.m.

Introductions of the Board and attending owners were made. It was determined that with 5 proxies presented and 8 owners in attendance, a quorum was present.

Brandi did a quick recap of the roofing project, stating that the project started in 2013 with several insurance claims for damaged roofs. Eventually the insurance company stated that they would no longer cover the roofs because they were too old. At that point Brandi had Dan with All Star Quality Roofing inspect each roof and provide a proposal for repairs. In 2013 the proposal was \$18,000.00 per roof. Four roofs have been completed prior to 2018. After another inspection in February 2019, it was determined that the condition of the last two remaining roofs is significantly worse than when the HOA began the roofing project. As a result of the deterioration of the roofs, they require additional repairs at a greater expense than the original proposal of \$18,000.00 per roof. The new proposal is for \$29,000 per roof. All Star Quality Roofing stated they would give the HOA a discount of \$3,000 if both roofs were scheduled at the same time.

On February 14, 2019 the management company scheduled the roof replacement to begin on February 20, 2019 with Units 9-12, weather permitting. Units 13-17 will begin immediately following the completion of Units 9-12. The roofs need to be completed as soon as possible to prevent further damage to the buildings and any damage occurring to the inside of the units. Each building will take approximately 2 weeks to complete. As of February 14, 2019, the Association's operating account was at \$25,645.00. CBCPP paid a down payment of \$15,000.00 to All Star Quality Roofing, taking the operating account down to approximately \$10,645.00. There was a remaining down payment of \$15,000.00 for the materials to do the second roof. All Star Quality Roofing has graciously gone ahead with ordering all of the materials at one time to allow the HOA to incur the discount of \$3,000.00 and has held the cost of the materials for the second roof on his line of credit to help the HOA out until the funds could be obtained to pay him in full.

This recap brought us to the reason for calling a Special Meeting of the Members. The HOA needs to obtain a loan to complete the roofing project. This loan will be an immediate substitution of the Special Assessment that will be billed in August 2019. However, the HOA will need to extend the roofing assessment into 2020.

Brandi presented two options to the owners in attendance. Option A would be to see if at least 20 units could immediately come up with the full amount of the 2019 & 2020 Special Assessment, totaling \$1,500.00. This option would completely eliminate the need for the HOA to acquire a loan.

Option B would be to obtain a loan from Community Banks of Colorado for approximately \$30,000.00. The loan would be a 24-month loan at an 8.5% APR. The monthly payment would be approximately \$1,363.67 and there would be no penalties for paying the loan off early. The monthly fee to each owner would be approximately \$70.00 in addition to the \$155.00 HOA dues. The monthly payment of approximately \$70.00 per month for 24-months is equal to the \$1,500.00 Special Assessment plus the interest accrued on the loan.

DeAnn Piper asked Brandi for an update on the civil law suit the HOA filed against Debbie Campbell of A Better Alternative Management Company (previous HOA manager). Brandi let the owners know that she had filed the suit and was currently working with an Attorney to complete the rest of the paperwork and it would be filed on February 28, 2019. The embezzlement case is still an active investigation with the authorities and there is no new information to present to the owners at this time.

Patti suggested that the HOA ask that the 2019 & 2020 Special Assessment be paid in one lump sum from those owners that could afford to pay it, in addition to taking out the loan since the more money the HOA can obtain the lower the amount of the loan they would need to get.

Mike McGinnis is concerned about what recourse the Bank will have should the HOA default on the loan. Brandi does not have that information at this time but will speak to the bank about it.

Patti asked if after the loan was paid off, if the special assessment would be over. Brandi stated that the roofing special assessment would be complete but there might be a need for another special assessment should another maintenance issue occur.

It was stipulated that the loan would only be tiding the HOA over until the Special Assessment is collected in full.

Mike McGinnis made a motion to ask the owners who can afford to do it, to pay the 2019 & 2020 Special Assessments in full by March 15, 2019, if possible. After March 15, 2019 the HOA will move forward with obtaining the loan for the remaining balance that is owed for the roofing project. Those owners who cannot pay the lump sum of \$1,500.00 for the 2 years' special assessment will be responsible for making the payment of approximately \$70.00 per month in addition to the regular monthly dues of \$155.00.

Laurel seconded the motion and as there was no opposition from the other owners in attendance, the motion was passed unanimously.

Alicia Criswell with Coldwell Banker Commercial Prime Properties will draft a letter for the Board of Directors to approve prior to mailing to the owners. She will stress the importance of paying the Special Assessment in one lump sum payment in the hope that the HOA may not have to take out a loan.

The meeting was adjourned at 7:30 p.m.

**The stipulated loan payments in these minutes are an estimation and not a guarantee until the HOA has finalized the loan with Community Banks of Colorado.

The meeting minutes were taken by Alicia Criswell with Coldwell Banker Commercial Prime Properties.