

Eagle River Commercial Condominium Association

Board Meeting Minutes

November 1, 2023

A meeting of the Board of Directors of the Eagle River Commercial Center Association was held on Wednesday, November 1, 2023, at the hour of 2:00 PM, in the office of the managing agent Walter Realty Group, Inc. 105 Edwards Village Blvd., C208, Edwards, CO 81632 and available via ZOOM video conference.

Attendance in Person: Dan Lambert, Hugh Schmidt, and Johnny Cross

Attendees via Video Conference: JD Werkmeister, Shane Dickens, Robert Warner, and Steve Mock.

Others in Attendance: David Zippie – CPA, Michael Walter – Managing Agent

Call to Order / Quorum: Dan Lambert called the meeting to order at 2:06 PM and with 100% of the Board members present either in person or via ZOOM video conference, a quorum was established to conduct business.

Reading of Board Minutes 10-19-2023: Hugh Schmidt made the motion to waive reading of the Minutes of the October 19, 2023, Board meeting and approve the Minutes as presented. Dan Lambert seconded the motion to waive reading the minutes and with a vote taken, the Minutes of the Board meeting of October 19, 2023, was approved with no dissenting votes cast.

Special Assessment: After a lengthy discussion regarding the associations current financial condition as reviewed by the associations CPA – Dave Zippie, Dave reported that the fire of 2022 cost the association \$105,000 due to an undervalued property policy with Auto Insurance which was paid with funds borrowed from the reserve replacement account. Additionally, due to the fire loss claim the insurer would not renew the policy and a replacement policy was only available through the secondary market with an annual policy cost of \$189,000, of which \$62,357 will be funded out of the reserves account over the next couple of months along with another \$27,000 pending to complete electrical and gas lines.

Dave reported that given the unbudgeted outlay of approximately \$194,350 from the reserve account to meet immediate and near-term expenses coupled with other miscellaneous expenses puts the association in the position of having very limited funds to meet the operational expenses going into the 2024 without a safety net that the reserve account had previously provided.

Dave Zippie stated that he recommended that the association undertake an immediate special assessment of \$250,000 to \$300,000 to replenish the reserve replacement account.

Bob Warner made the motion to approve a special assessment in the amount of \$300,000 to be collected in two installments with \$150,000 due and payable January 1, 2024, and the second installment of \$150,000 due and payable July 1, 2024. Dan Lambert seconded the motion to approve of the special assessment with one half payable January 1, 2024, and the second installment to be paid July 1, 2024.

With a vote taken to approve the motion to adopt a special assessment in the amount of \$300,000 payable in two installments was passed with six (6) of the seven (7) board members approving of the motion with one dissenting vote cast by Steve Mock.

Special Meeting of Association: As per the declarations" Section 8.7 Special Assessments," Notice in writing of the amount and time for payment of such special assessment per Unit shall be given to the Owners, and no special Assessment payment shall be due less than thirty (30) days after such notice shall have been given.

Date for Special Meeting of the Association: December 7, 2023, 11:00 AM

Legal: Michael Walter explained that after reviewing the governing documents turned over from the previous management company it was discovered that the association was not compliant with the required Colorado State Statutes (CCIOA) governing community associations related to adopting the (9) required Policies & Procedures. Walter reported that without the adoption of the required policies and procedures the association did not have the authority to enact or enforce several current administrative practices.

Additionally, Walter stated that at the last meeting of the Board, the Board directed management to contact legal counsel to explore any legal avenues to recover the financial losses the association suffered due to the insurance denial of 100% coverage. Walter stated that he and Dan Lambert met with Kerry Wallace of the Goodman Wallace Law Firm on October 20, 2023, to discuss the association issues. Kerry Wallace provided management with an engagement agreement with Goodman Wallace PC to commence the initial discovery into the insurance policy and production of the State of Colorado (CCIOA) required policies and Procedure documents for the Board to adopt.

Legal Engagement Authorization: Hugh Schmidt made the motion that the association enter into an engagement agreement with Goodman Wallace PC to perform the initial discovery related to the insurance policy and the production of the required policy and procedures. Johnny Cross second the motion and with a vote taken the motion was passed with no dissenting votes cast.


Next Board Meeting Date: The next Board meeting was scheduled for December 5, 2023, at 4:30 PM.

Other Business: No further business presented.

Adjournment: The meeting was adjourned at 3:16 PM

APPROVED:

Dan Lambert


pres.
