

Fairmount Village Condominium Association, Inc.

ANNUAL MEETING MINUTES

August 29, 2012

Bray Education Center
640 Belford Avenue
Grand Junction, CO 81501

Board Members in Attendance:

James Davids
Troy Strother
John Bingham

Andrew Teske, The Law Office of Hoskin, Farina & Kampf

Bray Property Management in Attendance:

Joe A. Mazza
Cindy Hoppe

Call to Order:

The meeting was called to order at 5:30 p.m. by Joe A Mazza.

Introductions:

Management introduced the Board of Directors to the membership.

October 13, 2011 Annual Meeting Minutes:

Management asked for a motion to approve the October 13, 2011 Annual Meeting Minutes as presented.

Motion: Strother
Second: Bingham

Resolution: To approve the October 13, 2011 Annual Meeting Minutes as presented.

Motion carried unanimously

Announcement of Quorum to Achieve to Conduct the Annual Election:

Management announced that 26 Homeowners were necessary to achieve quorum; therefore quorum has been achieved.

Current Financial Position

Management informed the membership that as of December 31, 2011 there was \$414.67 in the cash account and in the reserves there was \$5,064.88. As of July 31, 2012 there was \$4,153.49 in the cash account and \$9,575.16 in the reserve account.

2012 – 2013 Budget:

Management stated that there will be no increase in the budget and asked if there are any questions from the homeowners in regards to the budget. There were no questions. Management asked for a motion to approve the budget as presented.

Motion: Crysler
Second: Bingham

Resolution: To approve the 2012 – 2013 budget as presented.

Motion carried unanimously

Landscape Contract:

Management presented three (3) bids to the Board of Directors for landscape for 2013 along with a spreadsheet. Management requested that the Board table this matter so as to give the Board ample time to review the bids. The Board tabled this matter for the next 20 – 30 days.

Hot Water Heater Information:

Mr. Strother, Board Member, provided a recap of information in regards to a hot water heater pipe defect for the exhaust on the hot water heaters. It was brought to the attention of Management and the Board of Directors in December 2011 that there was a defect in the hot water heater pipes in one of the units within the association. A homeowner that was replacing his hot water heater, which had failed, had been notified by the plumbing company that the hot water heater exhaust pipes were not to code. Mr. Strother stated that the pipes were ok for intake but not exhaust, the possibility of carbon monoxide gas could escape from the cell core pipes that were used on the exhaust side of the hot water heaters. He also stated that carbon monoxide detectors were installed in many of the units that did not have them or were missing when the units were inspected. The units were inspected to determine which units had defective pipes.

In addition to the exhaust pipes that need to be replaced in a number of units it was discovered that the exhaust pipes were clamped rather than glued and that three (3) pipes that have become detached since this matter was brought to the attention of the Board and Management.

Cell core pipes exhaust either through the side of the unit or the roof, they also penetrate the fire walls. There will need to be cuts through the drywall in order to make repairs. Since the cell core pipes have been found in a number of units, this could affect all units and adjacent units.

Mr. Strother stated that the hot water heater exhaust pipes are considered a limited common element and therefore need to be repaired. In the four (4) units that were repaired, it was found that the pipes were mixed with correct piping; therefore, the Board has determined that all 59 units that remain need to be checked to see if they may have incorrect pipes. The Board of Directors had obtained four (4) bids and has decided to go with the lowest bid, which estimated a special assessment of approximately \$1,000.00 per

unit would be necessary. There were a number of questions from homeowners in regards to this issue.

Why was the pipe issue not found before the units were buttoned up by the contractors? Mr. Strother stated that there were roughly seven or eight sub-contractors that were used as well as a general contractor that over saw the project. He stated that the general contractor was out of business and a number of the sub-contractors were out of state.

The Board had also discussed going after the insurance company for the 59 units that still need to be repaired, but the cost to repair the remaining units are approximately \$59,000.00 and to go after the insurance companies would cost in excess of \$59,000.00 and would not be cost effective to go after the insurance companies. It would not be prudent to bring litigation against the insurance companies because no repairs to the pipes could be made until after the litigation is settled and since this is a safety issue, the Board thought it prudent to move forward on this matter.

A couple homeowners asked about their specific units which management stated that he would research and determine whether their units have been repaired or if the defective pipe had originally been discovered in their units. It was also stated to the membership that the special assessment of \$1,000.00 was an estimate.

There were questions concerning the time to make the repairs. It was estimated that it would be approximately one week per unit.

There were questions concerning how it would be scheduled. This has not yet been determined by the contractors or the Board of Directors.

There were questions concerning if there was a hand out concerning this matter. Currently there is no hand out, the Board will put together a document and will send to the membership at a later date.

A homeowner asked if the pipes could be checked with a scope. The contractor from PNCI Construction, Frank DeSantis, stated that he did not believe it was possible.

There was a question from a homeowner as to when the work would start. At this time it had not been determined as there are a number of factors that still need to be completed before a confirmed date can be determined. Once this is known, this information will be provided to the membership.

Management asked Mr. Teske if he had anything to add in regards to what was discussed by Mr. Strother or the homeowners, he had nothing to add.

Miscellaneous Business

Organizational Meeting

Management asked the Board of Directors if they wanted to retain the same positions or if they wanted to change positions.

Motion: Bingham

Second: Davids

Resolution: The Board Members will keep the same positions.

James Davids, President

James Bingham, Vice President

Troy Strother, Secretary/Treasurer

Motion carried unanimously

Draft Reserve Study:

Management handed out to the Board of Directors a draft reserve policy and requested that they review and that it be approved. Management stated that he had placed three (3) years for the timing to consider whether a reserve study be necessary. Management stated that the Colorado Law, a draft reserve study had to be adopted. This item was tabled to give the Board an opportunity to review.

Reserve Study Bid:

Management received a bid from High Point Engineering to prepare a reserve study at the cost of \$1,785.00. Management stated that by having a reserve study prepared that it would help the Board in determine whether they are funding the reserves adequately. This item was tabled.

Questions from the Floor:

There was a question concerning whether any homeowners had problems with air conditioners concerning no Freon in their air conditioners. When one homeowner purchased their unit it was found that there was no Freon in their air conditioners. No other reports of no Freon were reported.

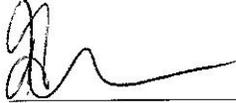
Board Member, John Bingham, stated that homeowners should be notified that charcoal grills are not allowed in the association, as they pose a potential fire hazard.

There was also discussion concerning bikes, which have not moved in Building 1208. Management stated that they will walk the community and look for bikes on the first level that may have flat tires and tag these bikes accordingly.

There were also questions concerning landscaping and parking. Management stated that he is unhappy with the current landscape company and he will set up a walk through with the landscape company to show the areas of concern. Concerning parking, Management stated that there had been no complaints about parking since the parking lot had been restriped.

Adjournment

There will be no further business to come before the Board of Directors at the Annual Meeting; the meeting was adjourned at 6:25 p.m.



SIGNATURE

12/2/13

DATE