

Blue Mesa Lodge Condominiums Association, Inc.

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Dear Owners,

As promised in our July 5 email, we write to offer a more detailed response to the June 30 email from a group of owners. We have received a few responses to our July 5 email, for which we thank the senders. That said, these responses further demonstrate that there is a fair amount of misinformation regarding our progress and actions as an HOA. In this email, we will address all of the issues raised by owners in the June 30 email and those that we have received since July 5.

Please read this carefully. We very much welcome your participation in the HOA and, as volunteers with limited time, we would welcome any assistance with committee work--please contact Dan Witkowski or Tom Scruton.

Board Communication with Owners:

A minority of owners have expressed a concern that the board has not operated as openly as they would have desired. This was exacerbated with a change in management and websites. While Full Circle has done their best to notify owners of the HOA website they created for us last January, placing the address on our dues invoices and numerous emails, some owners are still finding their way to our new site. The reality of our organization is that there will be some delays in posting documents--especially if they require signatures from our executive board. Formal meetings are fully transparent to the owners as you can easily look at the minutes to keep up with our actions as an HOA.

We understand that for some owners an email notice would have been preferred and have taken action to ensure that will be the standard practice in the future. Notice for the 5/20/21 Mid-Term Board Meeting was posted on 5/6/21 on our website, with the final agenda updated as we approached the meeting. Any interested party could have contacted us or Full Circle to review documents ahead of the meeting. This noticing met the requirements of our bylaws and was the customary practice for our manager.

Given the clear preference of board members and owners to be noticed by email for every meeting of the board, we have that rule in the Responsible Governance Policies established for all future board meetings.

We hear and understand the frustration of those who felt unaware or unfairly limited in opportunity to comment about the actions taken at our mid-term meeting and are planning another meeting, *as requested*, to invite comments and to take action on specific proposals. That meeting is tentatively scheduled for Thursday, July 22 at 3:00 MDT. Any owner is invited to write us with a proposal to change any specific element of our recently adopted rules and regulations. See specific sections for more background, as below.

Our contract with Full Circle includes two board meetings a year, which is twice what was past practice--but we feel that more open meetings allow greater transparency and participation. That said, we incur additional expenses by holding more meetings, so holding to a clear agenda and being efficient with our time is important and respectful to those who volunteer to serve on the board of directors.

Electrical service:

Electrical bids have been sought for two specific purposes: 1) to evaluate a complaint that improper wiring existed following a past remodeling on the third floor, 2) to evaluate the cost for improving access to service on all 3 residential floors of the HOA before the upcoming hallway remodel in 2022. The board considered these issues in deciding to pursue bids to evaluate and resolve these issues. We have not received reports from the contractors or our manager on the findings, cost of any proposals, or had a subsequent opportunity to act on this matter. Given the interest in this issue, we are going to form a small committee of board members and owners to advise the board on how best to move this forward.

Limitations of the initial design for wiring our building units, and a consensus on the HOA board that equal access to service is a responsibility of the HOA in maintaining the common elements motivated the board response to a complaint on 5/4/21 from an owner on the third floor. Their electrician reported issues and alleged that past renovations on the third floor had unreasonably restricted access to service for other owners with a fair and equal claim to service, and were conducted in a way that was not in accordance with current code. They were also concerned that renovations then in progress on the 4th floor could impact their access to service. We have also received written concerns from owners on the 4th floor protesting any diversion of service from the fourth to the third for current renovations there. There are essentially no open spaces for expanding service in our existing panels, which is no doubt a source of frustration for any owner considering renovations.

The Weiler's 30A-R renovation plan would not benefit from this work. No additional service was planned for their unit and it is expected to be complete before the hallway project is undertaken. The bids were directed to evaluate all residential floors, not exclusively the 3rd floor. Future remodels could benefit in improved access to the common service panels, however the cost for bringing additional service into any individual unit will continue to be the responsibility of the owner making that proposed change. There are no active construction applications pending at this time. Our new construction rules are in-part a measure to ensure that future projects do not disadvantage any owner and that all work is done by licensed electricians and is up to current building codes.

Responsible Governance Policies:

The Colorado Common Interest Ownership Act (CCIOA) requires HOAs to have a group of specific policies in place to ensure a minimum standard of responsible governance and rules for conducting business. Blue Mesa Lodge Governing Documents were created long before these statutes were enacted and needed to be updated in order to be in compliance with state law. The board retained an expert attorney in HOA law, Joseph Solomon to review our documents. He found that our existing documents did not comply with the CCIOA. Accordingly, and at the board's request, he drafted proposed changes that would meet the CCIOA standards. These are very standard and did not require a lot of billable hours. These policies were approved at the mid-term meeting and while we may add to these policies the minimum standards must be maintained in order to be in compliance. If you look these over and find something you would like to add, please feel welcome to make a written policy proposal for the board to vote on at our next meeting.

Construction Policy:

As property values in Mountain Village have appreciated, so have owners' interest in improvements. There have also been several remodel projects to segregate studio units into living space that meets the town's "lodge" zoning definitions. Not surprisingly, there have been a host of issues. Our manager has been monitoring numerous projects and trying to ensure that the common areas are well-kempt. Water and plumbing issues must be monitored, and notice given for shut-offs. Electrical service must be properly managed at our common panels. The elevator was apparently jammed by construction debris that was being downloaded to the garage requiring emergency service from our manager. In just 6 months of service, this board has experienced more construction related issues than anything else!

The HOA had very limited construction rules and vague regulations that were no longer meeting the goals and legal requirements for protecting our common elements. As such we turned again to Joseph Solomon, who had a stock construction policy that has been used at several area HOAs. This policy was also very similar to the policies Full Circle was enforcing with their other properties. We reviewed and approved this policy at our last meeting, but it is important to note that this may be customized to our needs if it is not serving them well. So far, it is hard to say if there will be any issues as there haven't been any applications brought completely through the new process for approval.

The recent renovations in 41A-R and currently ongoing in 30A-R were approved before the 5/20/21 meeting approved these new rules and have not been subject to the new rules as that would certainly be unfair. To be clear: the Weiler's 30A-R renovation was commenced before the new construction policy was approved on 5/6/21. This was NOT given an exemption to the new rules as they were not approved or in force. We had one project proposed on 6/10/21 that included plans to "remove a fireplace" and "new flooring", which was subsequently withdrawn.

We have not received any proposed amendments to the new construction rules but are receiving some comments about these rules being overly restrictive and proposing a committee be formed to help the board process applications in a speedy fashion. We are happy to hear motions and can vote on amendments to revise these rules at any future board meeting. Please submit your proposals so that we can add them to the agenda in time to share with our community prior to the meeting.

Conclusion:

Let us close with a note on civility. Please choose your words and actions carefully as we are in this HOA together for as long as we own property in this building, and mutually bear the burden of time and expenses spent to manage the HOA. Full Circle has some different practices than what we had been accustomed to, but we think Full Circle provides a much better and entirely more stable platform for efficiently managing our affairs. What we ask of them beyond our routine management directly increases the cost of ownership for all of us. We would like to see HOA thrive and continue to grow with investments that increase property value and enjoyment of our owners. Working together is the best way to accomplish that goal.

Board of Directors
Blue Mesa Lodge Association