

## **GORE TRAIL AT WILDERNEST BOARD OF DIRECTORS MEETING - April 30, 2005**

The Board of Directors of the Gore Trail at Wilderndest Homeowners Association (HOA) met on April 30, 2005 at the Gore Trail Clubhouse. Directors present were Rob Kilgore, Tom Sarafin, Larry Strattan, Pat DeFazio and Howard Gueck. Also in attendance was homeowners Jim Fuller. Representing Robert J. Greenly & Associates, Inc. and acting as consultants to the BOD in the reconstruction process were Bob Greenly and Jon Raymond. Representing Wilderndest Property Management (WPM) were Mike Harrison, Property Manager, and Tony Snyder, President of WPM. Board President Kilgore called the meeting to order at 8:35a.m.

### **MANAGEMENT REPORT**

Mike Harrison explained that his staff has been monitoring the access to all units on a daily basis during the fire sprinkler system repairs and keeping a log of the same. Additionally, it has been snowing every day for about a week and much time has been spent raking snow from the roofs and shoveling snow from the window wells.

### **MISCELLANEOUS ITEMS**

1. Mr. Kilgore indicated that Turner Morris has submitted three proposals to replace the front section of the clubhouse roof ranging in price from \$6000 to \$11,000. Consideration of these proposals was tabled until later in the meeting.
2. A proposal from WPM's Construction and Repair Department to repair the clubhouse boiler for \$1000 was also tabled but accepted by the President later in the meeting.

### **RECONSTRUCTIN PROCESS**

The purpose of the meeting was to select a General Contractor and a Construction manager to complete the reconstruction of the complex this summer. Mr. Greenly's company had been hired to assist the Board in that effort.

Mr. Greenly indicated that the proposals from Reconstruction Experts (RE) and Excellent Construction (Storako) were now apples to apples, although there is some concern that RE has underestimated the complexity of the civil component of the work. A third proposal from Palace Construction was about \$500,000 more than the Storako and RE bids.

The bid prices from RE and Storako were as follows, to include a surety bond or letter of credit:

- RE: \$1,232,919 (includes \$20,000 for bond).
- Storako: \$1,259,055 (includes \$2,000 for letter of credit).

There was considerable discussion about the strengths and weaknesses of each contractor and in particular the fact that RE has probably underestimated the cost of the civil component of the job. Also there is concern that Storako is basically a one-man operation. Discussion included the following:

- President Kilgore pointed out that the cost of the reconstruction process was slightly more than the cash on hand in the reconstruction account, although the final payment from the Developer will cover the shortfall.
- Mr. Snyder indicated that WPM anticipates a need to commit about 50% of Pat Rice's time to the process at a cost of about \$25,000. Ms. Rice's role would be to deal with the homeowners and act as an interface between the Board, the contractor, and the construction manager.
- Mr. Snyder suggested that the General Contractor, not WPM, be responsible for access to the units and unit security.
- Mr. Greenly indicated that if they were hired as a construction manager, their fee would be \$35,000 to \$45,000.
- Mr. Sarafin noted that there was a greater risk of cost overruns with RE and a greater risk of not completing the job in a timely manner with Storako.
- Mr. Greenly indicated that if the reconstruction breaks down, they could step in and complete the project, but specific details would have to be immediately worked out with the Board at such time.

Mr. Snyder was asked to negotiate a better deal with Storako and he left the meeting at approximately 10:15 a.m. for that purpose. After a fifteen minute meeting with Mr. Storako, he reported the following to the Board:

1. Storako will lower his price from \$1,257,059.25 to \$1,200,000.00.
2. Storako will be paid a \$28,500 bonus if the work is substantially complete by September 30, 2005.
3. Storako assures the Board that his bid is comprehensive and change orders are unlikely.
4. Storako understands the contract will include a \$375.00 /day penalty provision if the work is not done by October 15, 2005.
5. Storako will devote all his work time to the Gore Trail reconstruction and forestall all other work until the Gore Trail job is done.

After additional discussion and considering Storako's experience with Gore Trail and the considerable value of Greenly as construction manager and back-up contractor, the Directors indicated their inclination to hire the Storako Greenly team. The Board then invited Storako to join the meeting.

Understanding that details will be included in a construction contract, the Board, Storako, and Greenly agreed to the following:

1. Storako will be paid \$1,210,000.00 for:
  - a. The complete reconstruction of the project per the bid package and scope of work.
  - b. Repair or replacement of the clubhouse roof (estimated to cost \$6000 to \$11,000).
  - c. Completion of the original punchlist items included in the litigation unit by unit list as of February 2004, including drywall crack repairs but excluding carpet stretching.
  - d. Supervision of the sprinkler system repairs and any labor from his crews related to those repairs (estimated at \$5,000).
2. Storako will contact engineer Jim Harris to get the reconstruction plans stamped so work can start as soon as possible.
3. Greenly will act as construction manager and draft a proposal for review by Tony Snyder and the Board. Mr. Greenly indicated that their costs would likely be on the high side of the \$35,000 to \$45,000 estimate.

#### **OTHER MATTERS**

- When the work is done, President Kilgore will make presentation to the Summit County real estate community explaining the extent of repairs and the quality of the complex.
- Mr. Greenly will collect insurance certificates from all subcontractors.
- Storako's liability insurance includes a multi-family endorsement but that coverage will expire on October 5, 2005 and there is no guarantee that this endorsement would be renewed.
- Additional monies from the suit against the framing contractor, Wickes, will probably not be forthcoming this year, if ever.
- Greenly will draft a critical path through the reconstruction process to allow the Board to track the progress of the job and, hopefully, address any problems early on.

#### **RESIGNATION FROM THE BOARD**

Director Tom Sarafin tendered his resignation from the Board, effective immediately. The Board expressed its extreme appreciation to Mr. Sarafin for his leadership as past President and the many hours he devoted to the affairs of the Association during the litigation process.

#### **ADJOURNMENT**

The meeting adjourned at approximately 11:50 a.m.