

RE: Emergency Assessment & Meeting Notice

Dear Telluride Lodge Owners;

As previously communicated to the Telluride Lodge owners, the Board was made aware of potential issues with the community's fire suppression system. The Board retained F&F Fire to inspect and evaluate this system and they recently provided us with the following findings and recommendations:

Note from F&F Fire:

The Fire Sprinkler System at Telluride Lodges is currently Deficient. All 3 buildings are tied together. This becomes a serious issue because the entire system is charged with an Antifreeze solution. The current riser design does not meet NFPA code. The Anti-freeze solution needs to be replaced due to inadequate freeze point protection. If there was a pipe break due to freezing in any of the buildings, water would be introduced into the entire system and the system would need to be recharged. **In addition to losing a substantial amount of money to replace the antifreeze in case of a freeze break, the risk of the anti-freeze solution being over concentrated during a fire can fuel the fire there for potentially causing a fatal accident. The anti-freeze solution not being mixed properly is most definitely a safety factor and puts lives at risk.** Per code the antifreeze solution cannot be mixed by hand, meaning that the only way we can service the system is to replace the entire sum of the anti-freeze solution. We are unaware of how many gallons of Antifreeze the entire system holds, but from previous inspection reports we can estimate 200-300 gallons per building or 600-900 gallons for the entire system. Per NFPA code, Antifreeze systems are required to have Thermal Expansion tanks. Such Expansion Tank is not manufactured for that many gallons of antifreeze. The solution is to break up the system into 3 individual systems. Each building will have their own water supply run by the underground company, then F&F Fire will install all the necessary valves and equipment to make sure that all 3 buildings are brought up to NFPA code.

The HOA Board believes that the information provided by the consultant raises serious issues and concerns for the health and safety of the Telluride Lodge residents as well as our property investments. We believe these recommendations call for the Association to act in a relatively prompt manner and not let more time pass to address the concerns. Under these circumstances, the Board has determined that the issues at issue and resulting work requirements constitutes an emergency condition. Along these lines, the Board has determined that we need to impose and collect a \$300,000 Emergency Special Assessment, the breakdown of which expenditure is as follows:

F&F Fire \$105,825.00
Haynes Excavation \$115,000.00
Other Associated Costs \$79,175.00

* Associated cost to cover overages on the project such as, Added Disposal Fees, Added Glycerin if needed, Repairs during construction, Ceiling Tiles, Change orders.

** Attached are the full estimates.

The HOA has \$346,681.29 in reserves and we do not feel it would be fiscally responsible to deplete our reserves. See attached financial report.

Section 9.8 of the Amended and Restated Declaration for the Telluride Lodge establishes the process for imposing and collecting a Special Assessment. As noted above, the Board has determined that the nature of the work constitutes an emergency condition, thus, the provisions of Section 9.8 addressing a Special Assessment where emergency conditions are at issue will control the issuance of the Special Assessment.

9.8. Special Assessments.

9.8.1. In addition to the Regular Assessments and Reimbursement Assessments authorized in this Article 9, the Board may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, maintenance, or replacement of capital improvements (including related fixtures and personal property) to or upon or serving the Community, or for excess reconstruction costs or other extraordinary expenses, or for funding any operating deficit of the Association. **Except in the event of an emergency, where no membership vote shall be required,** the Board shall not levy a Special Assessment without the approval of the Unit Owners in the Community as provided below.

9.8.2. Written notice of any meeting called for the purpose of levying a Special Assessment shall be sent to all Owners no less than 30 or more than 50 days before the meeting. At the meeting, the presence of Owners in person or by proxy that are entitled to cast 50 percent of the votes in the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called pursuant to the same notice requirements, and the required quorum at this second meeting shall be only 30 percent of the votes in the Association. No such second meeting shall be held more than 60 days following the date of the first meeting.

9.8.3. Provided a quorum of Owners entitled to vote is present in person or by proxy in accordance with the quorum requirements set forth in the preceding paragraph, then the affirmative vote of Owners holding a majority of the allocated votes so present shall constitute approval of the proposed Special Assessment.

9.8.4. **For purposes of this Section 9.8, the term "emergency" shall mean any circumstances or set of circumstances which pose an imminent threat of loss, damage or injury, actual or threatened, to persons or property.** Special Assessments shall be allocated in the same manner as Regular Assessments, that is, in accordance with the Allocated Interests of each Unit in the Community, provided that Special Assessments that benefit fewer than all of the Units shall be allocated exclusively to the Units benefited. Special Assessments shall be due and payable to the Association on the due date fixed by

the Board in the notice given to the Owners of such Special Assessment, whose due date shall be no earlier than 30 days after the giving of such notice.

As noted in Section 9.8, the vote of the Membership is not required for the issuance of a Special Assessment when such action is being done under emergency purposes, like in the case of this situation. That said, the Board is scheduling an informational meeting with the Membership to allow for a discussion about this matter. That meeting is scheduled for October 11th at 5:30PM and will occur virtually via Zoom using the following information: See Attached.

Please send any questions you may have to the Telluride Lodge email account: telluridelodgehoa@gmail.com.

Thanks,
Telluride Lodge HOA Board of Directors

**TELLURIDE LODGE HOA
EMERGENCY SPECIAL ASSESSMENT MEETING
October 11, 2023 @ 5:30 pm**

AGENDA

1. Open discussion on emergency special assessment to upgrade the current fire suppression
2. Board vote to approve the fire suppression assessment

Telluride Lodge HOA is inviting you to a scheduled emergency special assessment Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/82062565226>

Meeting ID: 820 6256 5226

Passcode: 964993

One tap mobile

+17193594580,,82062565226#,,,,*964993# US

+16699006833,,82062565226#,,,,*964993# US (San Jose)

Dial by your location

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• +1 669 900 6833 US (San Jose)

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• +1 253 215 8782 US (Tacoma)

• +1 346 248 7799 US (Houston)

• +1 669 444 9171 US

• +1 564 217 2000 US

• +1 646 931 3860 US

• +1 689 278 1000 US

• +1 929 205 6099 US (New York)

• +1 301 715 8592 US (Washington DC)

• +1 305 224 1968 US

• +1 309 205 3325 US

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Meeting ID: 820 6256 5226

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Telluride Lodge HOA