

Anna Mathieu

From: Mather Property Management <email@rentmanager.com>
Sent: Wednesday, January 31, 2024 4:33 PM
To: Anna Mathieu
Subject: Follow Up RE: Annual Meeting / Roof Project

To the owners of Parkside Village Owners Inc.

The HOA board of Parkside thought it would be helpful to write this letter to better inform Parkside owners of the roofing project since many owners were not present at the annual meeting.

As many know, Mather Capital and the HOA board have spent a significant amount of time over the past year and a half working to address the need for new roofs since the current roofs are well beyond their useful lives. While addressing this issue we must also address the fact that the current roofing structure is deficient in regards to snow load that creates its own set of potentially lethal hazards. Our current roof is rated somewhere in the neighborhood of 17-30 pounds per square foot while Ketchum city code is 100 pounds per square foot. While some would like to ignore this issue and simply re-roof the complex, we have been told that not only will most roofers refuse to carry the liability of performing such work, the city is most unlikely to grant a permit.

The board and Mather Capital have worked diligently to find contractors that are willing and able to perform this important and complex task. Unfortunately the cost for this work came in higher than expected at \$165,805.30 per-building / \$41,451.33 per-unit. This comprehensive bid covers not only the new structural improvements and roof, but also the new siding and architectural improvements that will accompany this work. We are hoping to decrease the final price but are trying to prepare owners for what has been presented. It should be noted that upon completion of this project we will no longer need to hire folks to remove snow from the roof, snowblow, plow, and haul away said snow. This will present significant annual savings since the majority of the surface area at Parkside is roofing.

Should the owners of parkside recognize the importance of this issue and vote to approve the project, we would like to note there are several financing options available. The first option would be for the HOA to take out a loan for the required amount - we have been provided an indicative fee of approximately \$384 per-month/unit. This does not carry a prepayment penalty with the lender so, should interest rates improve, the HOA would have the ability to refinance the loan. The second option, for those that have equity in their unit, is to take out a home equity loan. The building has also been approved by the FHA for reverse mortgages so that is a third option for those over the age of 62. The fourth option is to pay directly out of pocket for those able to do so.

As you can likely infer from the information above, the board has worked extremely hard to mitigate the financial impact on residents and approached this issue from every angle. The end result has always put us back to the same place which is the need to bring Parkside up to code. This problem is not going to go away and it is unfortunate that many of the issues we face have been known for decades while costs in the valley have done nothing but escalate. Just because something catastrophic has not occurred in the past does not mean we can count on being so lucky in the future. We have been lucky to have a very thoughtful and patient engineer that has worked through every option to keep residents in their units while the work is performed as well as including the complexity

of working around our large living room windows. We believe he has come up with the plans that will move parkside in the right direction and add significant value for all owners.

Kindest Regards,

Parkside HOA Board