

**SNOWBRIDGE SQUARE CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING**

September 4, 2004

1:30 p.m.

Spruce Lodge Board Room

I. INTRODUCTIONS/DETERMINATION OF QUORUM

The meeting was called to order at 1:35 p.m. in the Spruce Lodge Board Room.

Homeowners present were:

Hannah Sperber, #101	Trey Malpass, #102
Bruce and Honore Ebert, #103	Peggy Tomcheck, #104
Al Taylor, #105	Bob Root, #204
Gary Harmsen, #204	Tim and Linda Sue Hoops, #207
John W. Theisen, #208	Mary D'Angelo, #304
Bridget Fox, #304	

Representing the commercial properties were:

Jerry and Priscilla Dunn
S. & Judy Bowman
Robert Harmsen

Others in attendance were:

Gay G. Galligan, Galligan and Associates, Accountant
Melissa Moore, Copper Mountain, Inc.
Mark Martinez, Copper Mountain, Inc.
Robert Stenhammer, Copper Mountain, Inc.
Cathi Kneuper, Copper Vacations

Proxies were received for Units 109, 110, 206 and 305. Between units represented in person and proxies received, a quorum was established.

II. REVIEW/APPROVE 2003 ANNUAL MEETING MINUTES

A motion was made to approve the minutes of the August 30, 2003 Annual Meeting as presented. The motion was seconded and carried.

III. FINANCIAL REVIEW

Gay Galligan presented the financial review. As of August 31, 2004, significant variances were:

1. Dues – Income was \$232,749 against a budget of \$332,500. The Board agreed to reduce dues 10% for the third and fourth quarters.
2. Building Management – \$10,054 has been spent year to date, but this only includes accruals for January and February. She anticipates it will be more than \$50,000 for the twelve month period.

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3. Building Maintenance – Expenses were \$7,034 against a budget of \$5,000, so she anticipates this account will be over budget at year-end.

Ms. Galligan then reviewed the Balance Sheet. There were \$12,000 in delinquencies from the first two quarters. There are three units that will be sent to the attorney for process. A portion of the ownership is being sold in the unit with the largest delinquency. The delinquent units are #206, #202 (the lawsuit was settled, but the owner has not paid since then), and #212 (there is a dispute about a payment many years ago, and the owners have been asked to provide a copy of the cancelled check).

John Theisen said Bob French had resigned as legal counsel, but he has turned over the Association files to his associate, Wayne Brown. He will be continuing the lawsuit against Kramer. A line item will be added to the closing statement to ensure the Association is paid.

Judy Bowman asked if the Board had considered establishing Association accounts at the Alpine Bank in Copper instead of Community First. She felt it was important to support the local businesses. Gay said there were no ties to Community First. An owner made a motion to move the Association funds to Alpine Bank. Another owner felt this should be a Board decision.

An owner asked for an explanation of the legal fees. Ms. Galligan said some of the fees were from the lawsuit, but some of the expense related to the expansion will be reimbursed. Mr. Theisen said the lease had been concluded, and the commercial owners, as promised, have agreed to pay all the legal expenses that were expended on their behalf.

A motion was made to approve the financial report as presented by Ms. Galligan. The motion was seconded and carried.

IV. PRESIDENT'S REPORT

John Theisen stated that there has been a problem with homeowner communication in the past, so he asked Mary D'Angelo to head up a communication group to/from all members through a Yahoo Groups website. Any owners who would like to be part of the group should contact Ms. D'Angelo. The web address for the group is sbs@yahoogleroups, but owners must have an invitation from Ms. D'Angelo in order to gain access.

The stairwell renovation has been completed and paid for in full, and the final cost was considerably less than what was estimated and budgeted. Western Waterproofing performed the work. He hopes all agree it is a big improvement for the building.

Blueprints for the commercial space modifications were provided for review. At no cost to the Association, two of the sidewalks were replaced as well as a side approach. The framing is almost completed, and the concrete and sidewalks are finished. The work to enclose the space will probably start next week. The price per square foot has become very high, and the Mr. Theisen acknowledged Gary Harmsen for moving forward with

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the project. The costs incurred to date include \$20,000 in legal fees, \$5,000 for permits, \$20,000 for architectural design, and \$18,000 for the tap fees, although there was not actually an additional tap, but the fee is based on the increased square footage. Mr. Harmsen appealed half of the \$18,000 tap fee with the County Commissioners, because the patio was replacing an existing space, not adding new square footage. His appeal was granted and \$9,000 of the fee was waived. The most recent expense of \$3,000 was incurred when a contractor cut a cable; the bill has been sent to the subcontractor. The sprinkler situation has not been resolved yet and he is waiting to see more plans. It may be necessary to install wiring from the day care and ski tuning area to Salsa. He hopes to have the work completed before the snow falls.

The sidewalk was re-sculpted and a handicapped access was added. There was some discussion about how the beer truck would make deliveries, and how pedestrians would access the shuttle and roads, so a sidewalk was added on the north side. Additional landscaping was also done

Steve Paccagnan, the General Manager for Copper Mountain, came into the room and introduced himself. He offered to field any questions the owners might have.

An owner asked if there were plans for any major expansion or building in the near future. Mr. Paccagnan replied that there are two issues controlling expansion in the Village or on the Mountain. The first is the comprehensive development strategy and the request for an expansion. The initial expansion proposal was rejected by the County Commissioners, but Copper will continue to pursue it. The second is the Environmental Impact Study on the mountain. The Resort has spent \$1.6 million and six years working on this Study with the Forest Service. It should be completed by the spring of 2005. Until both of these issues are finalized and resolved, the Resort does not plan to spend any money developing new plans for expansion. They are working to get the expansion proposal back on the agenda of the County Commissioners.

John Theisen, speaking on the Board's behalf, said they were extremely frustrated with the lack of communication between Copper and the Board. The Association has cancelled the management agreement with Intrawest and is currently going month to month in an attempt to create discussion and dialogue. He feels the relationship is at an all time low, and the Board met with the management representatives yesterday to provide specific feedback. Mary D'Angelo stated there was a problem with continuity due to the high staff turnover.

Discussion returned to the President's Report. During a prior Board Meeting, the Board members toured the building inside and out. A "Knox Box" was installed outside the commercial facility, as endorsed by the Fire Department. The Fire Chief has the code or key, and inside the box there are keys to each unit so the Fire Department does not have to break through a unit door in an emergency. It was noted that owners would need to make sure the key in the box is valid. An owner asked if the Building Manager could provide copies of the unit keys for the box. Robert Stenhammer said the Knox Box audit

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would be added to the twice annual audit. The Fire Department also has a master key for the electronic lock system.

During the tour in April, a gas leak was detected and the gas company was notified. The gas company employee insisted there was no leak, but it turned out there were four leaks in the line just before the major meter. The leaks were ultimately repaired.

The Fire Department conducted an inspection, primarily of the commercial space, and created a two page list of violations. The list was sent to Gary Harmsen and he forwarded it to the tenants. Mark Martinez has been following up and almost 100% of the items noted have been remedied.

The building insurance coverage was increased to \$11 million with Farmer's and coverage for Directors and Officers Errors and Omissions was added since it was not included in the previous policy.

Issues for the Association going forward include:

1. A backflow preventer must be installed in the basement prior to the water meter. This will cost \$3,500 and it will prevent grey water from mixing with fresh water. The Board is in the process of soliciting bids.
2. The sidewalk on the stream side was tabled due to financial constraints.
3. It appears the grease problem has been solved at Salsa Mountain. The tenant was provided with a padlock and chain to prevent guests from dumping garbage in the grease pit.
4. It was recently discovered that whoever was removing snow from roofs was using pickaxes, which penetrated the roofs and caused leaks to interior ceilings. Mary D'Angelo said there has been a hole in her roof for the past five years. She has contacted Copper about it numerous times, but the roof is now ruined. Robert Stenhammer said he was in the process of researching the contract with FLING to determine their limits of liability for work they did on the roof. Melissa Moore said a bid had been presented to the Board for repairing the roof. Mr. Stenhammer assured the membership that pickaxes would not be used in the future. He added that the contractors they use now are required to be bonded. An owner asked if the ice dams could be prevented. It was noted that there is heat tape installed already. The holes that leak are over Units 304 and 305. John Theisen estimated it would cost \$13,000 to re-roof each unit. Moving forward, the Board will get a cost for fixing the roofs, determine the appropriate method of thawing the roofs before they freeze, and get an estimate to repair the insides of the porches. Hannah Sperber thought there should be someone in management responsible for turning the heat tape on and off and watching for leaks.

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V. OPERATIONS REPORT

A. *Management Alternatives*

An owner asked if alternative management had been considered. Mary D'Angelo said Cathi Kneuper has been handling many issues, although it is really not her job. Ms. D'Angelo felt the building was not getting the attention that other buildings get. Bruce Ebert said the Board was very aware of the problems. They had a good discussion with Copper yesterday, and they are exploring different options. There are a number of problems to be resolved, but it will take some time.

B. *Parking*

John Theisen stated there has been an improvement in the parking situation. The Board has instructed Mark Martinez to boot anyone who is parked in the wrong spot, and also authorized him to have vehicles towed. Cathi Kneuper agreed the parking has improved, and noted that she and Mark communicate well, and he has done a good job with the booting and towing.

C. *Hot Tub*

There have been numerous complaints about the hot tub and unauthorized use by Copper employees. Mark Martinez has implemented a solution wherein the employee number is reported so the employee does not get paid. It was noted that the lock on the gate is sometimes taped open.

D. *High Speed Internet Access*

Cathi Kneuper reviewed the high speed internet access program. Residential units can have access at a cost of \$19.95/month. Interested owners should contract directly with Norma at Metro (968-2537). The installation is immediate and the connection comes through the cable. Mr. Stenhammer said there was also access available at the business center in One Copper Place, and the Conference Center has wireless.

E. *Insurance Claim*

Gary Harmsen stated it was his unit that burned. He suspects the guest threw clothes or towels on the baseboard heater, which ultimately ignited. Farmers Insurance carries the policy and it appears they will include the kitchen cabinets, sink, etc. under the Master Policy, in case an owner is underinsured. He plans to hold a President's Club meeting once all issues are resolved. He discussed some of the difficulties he has had in filing his claim. He recommended that all owners take digital pictures or videotape the contents of their units.

F. *Interior Leak Repairs*

Hannah Sperber asked about interior unit repairs. The unit above hers caused a leak and she felt that unit owner should be responsible. Gary Harmsen

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recommended she contact her own insurance agent, or contact the managing agent if the unit is rented.

VI. BOARD MEMBER ELECTION

John Theisen said he had received two proxy votes for the residential units and two proxy votes for the employee units. There are two residential, two commercial, and one employee representative on the Board.

Bob Harmsen nominated himself and Gary Harmsen for the two commercial seats. A motion was made to elect Mr. Harmsen and Mr. Harmsen. The motion was seconded and carried.

John Theisen and Bruce Ebert are currently serving as the residential representatives. Nominations were opened to the floor. A motion was made to nominate Mr. Theisen and Mr. Ebert. A motion was made, seconded and carried to close nominations. The motion to elect Mr. Theisen and Mr. Ebert was seconded and carried.

Brad Eckert is serving as the employee representative, but he was not present at the meeting. Bob Harmsen nominated Mr. Eckert to serve another term. There were no other nominations from the floor. A motion was made, seconded and carried to close nominations. The motion to elect Mr. Eckert was seconded and carried.

VII. OTHER BUSINESS

A. Association Bank

Judy Bowman again asked the Board to consider banking with Alpine Bank, since there is a branch at Copper and she felt it should be supported. Bruce Ebert said the Board would consider the suggestion.

B. Commercial Area Heating

Judy Bowman said there were problems with heat in her area and it is often too cold. Cathi Kneuper pointed out that space has many exterior walls and poor insulation. Tolin Mechanical had agreed to put together a proposal, but Bob Harmsen had not received it. Ms. Bowman said the boiler often stops working. An owner noted the employee units often have the windows wide open. Mr. Harmsen said part of the problem was due to the fact that the employees do not pay for their own heat. The Board has discussed metering the individual units. An owner asked about an energy audit. Mr. Harmsen said one was done and it was given to the previous Property Manager, but the Board never saw it and it cannot be located.

C. Heating Unit Fan Cleaning

An owner said he had the fan in his heating unit cleaned at a cost of \$25 to increase energy efficiency. Bob Harmsen said the mechanical contractor he met yesterday would give him blue and red pills to put into the toilet tanks to

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determine if there are leaks. The Board agreed to discuss doing this as an Association project.

D. Water Usage

The Board is addressing a significant water problem. The most recent bill was \$9,000 because the Association used 2.5 million gallons in one quarter. Water can be heard running through the pipe next to the water meter. The contractor estimated there was a loss of at least 9,000 gallons daily. The contractor said he would have to do a survey of all units in the building to determine the origin.

E. Mechanical Inventory

Tolin Mechanical has a mechanical inventory of all facilities. They produce a maintenance and service report. The agreement with Tolin states it should be sent to the Board President. This was not happening, but will in the future. Terry Hulquist is the contact person at Tolin.

F. Alternative Management

Several owners spoke in support of Cathi Kneuper's responsiveness, and asked the Board to seriously consider her management proposal because she has been very helpful.

VIII. ADJOURNMENT

With no further business, a motion was made, seconded and carried to adjourn at 3:20 p.m.

Approved By: _____ Date: _____