

**ANACONDA CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS' MEETING
MINUTES
MAY 1, 2006**

Call to Order:

The meeting was called to order by president, Dick McKay, at 2:15 PM after all board members were connected to the telephone conference call. The meeting was pre-arranged for today's time and date at the last board meeting.

Board Participants:

Dick McKay
Ben Broughton
Lee Rosenbaum
Stan Sprinkle
Hank Reinke

Others:

Tom Malmgren

Tom was asked to recap the Action Plan list items, leaving the hot tub topic to last.

- 1) All signs have been installed.
- 2) Hot tub – to be discussed at the end of other items
- 3) Siding issues. No change from last meeting. Travis Construction will be replacing the applicable siding in between other projects. Weather has still been an issue in ability to get started.
- 4) New trees near hot tub. Tom was instructed to obtain bids for these trees as well as the replacement trees necessary at entry area of complex.
- 5) Golf ball problems and Copper's commitment to deal with is in the hands of Gary Rodgers, GM of Copper. Ben will become point person for the association and continue to seek plan and schedule from Copper. Stan to assist.
- 6) Garage door project is complete. Travis to replace missing siding and finish bolt project on two last doors in conjunction with other siding work. All owners have paid for garage door openers installed but one.
- 7) Roof melt installation planned at 209 and 211 – No change from last meeting.
- 8) Digitize images of Anaconda building plans: Tom reported he obtained a bid from Copy/Copy in Frisco. Hopefully they can do the work for less than \$100, which the board authorized to proceed with.
- 9) Gate sensor wire will be completed when weather allows. Status the same as reported at last meeting.

BACK TO HOT TUB DISCUSSION:

Dick updated everyone regarding most recent discussions with Snow Shoe Hot Tubs and shared the updated bids he has received. The scope of work outlined in the bids was agreed upon by the board. The total bids come up to \$65,800. Dick cautioned that with unknowns and possible change orders we should anticipate an

additional 10% as a contingency. All agreed that to complete this project in the first class manner desired that we proceed with the bids of \$66,800 but be aware of the possibility of spending up to \$73,000.

The board unanimously agreed to proceed with the project, this summer, with the bids received. All board members will review the contracts/bids with Dick hoping to execute contracts by the end of this week.

Regarding funding, Stan provided an overview of the current financial condition of the association and projected out our position when payment for this project will be due. Combining existing funds with a projected special assessment equal to one quarter's dues collection he feels we will have adequate funds to proceed but cautioned that our reserve fund will be depleted to near zero and any overruns will be a challenge.

Considering Dick's forecast of needing a 10% contingency the board discussed the possibility of seeking a line of credit from First Bank as a means to borrow against the manager's unit (association owned), if necessary.

The board concurred that they would prefer to collect enough through the special assessment that borrowing would not be necessary. All agreed that the assessment should be an amount that will take care of the project. **Thus, a motion was made by Stan Sprinkle that the association bill in the form of a special assessment an amount equal to 120% of a regular quarterly dues amount. The billing will go out to the membership on June 1, 2006 to be paid by the end of June. The following regular dues assessment will be billed on August 1, 2006 (vs. July 1) and the October 1 assessment billed as scheduled. This motion was seconded by Hank and passed unanimously.** Further discussion committed that any excess monies collected but unspent will be credited to the reserve account after the hot tub project is completed.

Next Meeting:

The next board meeting will be on May 30, 2006 at 10 AM, mountain time.

Respectfully submitted,

Accepted,

Thomas J. Malmgren, Managing Agent

Dick McKay, President

May 1, 2006

Dear Anaconda Homeowner:

As the old saying goes, we have some really great news and some less than great news. As everyone knows, for over a year we have been working with several vendors with the goal of replacing our hot tub and upgrading the entire hot tub area. The good news is that your Board has unanimously approved a very high quality new hot tub project, scheduled for completion by August 1st 2006, which will give us the best looking hot tub area at Copper. Unfortunately the bad news is that due to the complexity of the project, we were simply unable to finance the new hot tub out of Association reserve funds, and will thus have to make a special assessment equal to 120% or 1.2 times your normal quarter's dues.

By way of explanation of the process After an investigation, analysis and bid process that took well over a year, we narrowed the vendors to one, Snow Shoe Hot Tub, a local company owned and operated by two great and very competent people, Amy and Bryan. We looked at all possible options including tub size; concrete, wood, Evergreen (synthetic wood), or slate deck. We also looked at ways to mitigate the snow and ice issue on the deck and ways to insure the deck always looks it's best. We were displeased at the chipping of both the existing wooden deck and the concrete entry from snow removal. We needed a solution that would eliminate the need to destroy the deck and entry to remove ice and snow.

Again, after months of give and take, monthly conference calls, multiple bids, and investigating all possible alternatives, your Board came to the unanimous conclusion that we will replace the present tub with a Rio 14 foot commercial grade tub, which is somewhat larger than our present tub, a welcome change. The tub will be flush mounted in a stamped variegated color heated concrete deck which will eliminate the ice problems of the old wood deck and concrete entry. The new stamped tan concrete will look like a laid dark tan flagstone deck with variegated natural stone color for a great look. The deck heat will be divided into three zones for efficiency, and will have three different types of sensors in addition to timers to insure the deck is heated only when required and in use. One zone will be the entry walkway which needs heat more of the time, the second zone will be the area approaching and on the near side of the tub, and the last zone will be the far side of the tub. The zone division along with the sensor system will allow allocation of heat on an as needed basis. The decision to use heated concrete was to insure there will never be an ice issue on the deck or entry walkway, and that chippers and deck damaging snow removal techniques will not be required or allowed in the future.

The conventional spa-heater will be replaced with a two stage boiler system that will heat both the tub, and the stamped concrete deck. A boiler is a far more efficient

technique of heat, meaning that the tub will come up to temperature faster, and the use of gas will be minimized consistent with heat needs of the deck and spa.

The tub will be installed in a newly constructed 10x15 foot, 8 inch thick concrete vault with a French drain system that will allow room for future tub replacement without further vault modification. The vault area also allows Bryan of Snowshoe access to the tub through an access panel in the deck. He will be able to crawl completely around the tub to make repairs or check the jet system without removal of the decking.

The new tub, and the great looking heated decking will make the hot tub area a very impressive spot to enjoy with neighbors and friends, and will certainly add to the appeal and value of the Anaconda Complex.

The Board regrets the necessity to make a special assessment at this time, but there was no reasonable way to stage the installation of the spa, all work needed to be done at one time. After much discussion, all five Board members were unanimous in approving the need to move forward with the project this summer, and the resulting special assessment. Our old tub has already far exceeded it's normal life span, and has been requiring excessive maintenance the last two years.

We will be billing the special assessment equal to 120%, or 1.2 times, your normal quarterly dues on June 1st. To help mitigate the extra and unexpected expense, the due date of the normal July assessment will be set back one month to August 1st, and dues collection will then return to a normal schedule with the October 1st quarterly dues payment. This will mean the assessment will be due on June 1st, and your normal Dues will be payable on August 1st and October 1st, with normal quarterly HOA dues quarterly thereafter.

Again, we regret the necessity for an assessment, but we know you will all appreciate the end result, a first class hot tub area and entry that matches the new fencing and siding we installed two years ago.

For the Anaconda Board of Directors

Dick McKay

Dick McKay
President

ANACONDA ACTION PLAN

Prepared by Dick McKay

Date: 5/1/06

ASSIGNED
TO TARGET
DATE

STEPS TO BE TAKEN

- | | ASSIGNED TO | TARGET DATE |
|---|-----------------|-------------|
| 1 | TM/DM/
Board | 5/5/06 |
| 2 | TM/DM
Board | 5/30/06 |
| 3 | TM | 5/30/06 |
| 4 | TM/SS/BB | 5/30/06 |
| 5 | TM | 5/30/06 |
| 6 | TM | 7/1/06 |
| 7 | TM | 5/30/06 |
| 8 | TM | 7/1/06 |
- 1 Make final corrections to Spa contracts and sign by May 5. Completion is scheduled for August 1. Letters and Email will go out no later than May 2 notifying need for a 120% of one quarterly dues assessment due June 1, 2006, and setting out August (July 1st moved back one month) and October 2005 dues payments.
- 2 Continue identification of siding issues and seek resolution. Phil will replace siding as necessary with new stained product. Product has been delivered. He has stated that he is committed to a complete repair, but total replacement is his last option. We will suggest that Phil place additional flashing (not gutters) to prevent damage to areas that are obviously impacted by falling/splashing water. Flashing idea will be investigated as siding installation progresses
- 3 Tom is obtaining bids for replacement Aspens for those destroyed at entrance next to building two. Upon completion of new hot tub new trees will be placed near hot tub area, exact placement to be defined at that time
- 4 Regarding golf ball problem, Gary Rogers is committed to a solution this season. We are recommending, and Gary has agreed that a net is the appropriate solution **before** golf season starts in mid June. Ben is the point on this project, and Stan and Ben will follow up and report at the next meeting.
- 5 Garage door project complete except door on 304 and 104 need replacement siding. Siding Product is on site, and Travis Construction will repair garage doors prior to replacing building siding. Murdock, in 304 has not paid for the electric garage door opener, Tom will follow up.
- 6 Anaconda units 209 and 211 have repeating leaks at picture window area due to ice dams. The Board approved bid of \$2400 for two small RIM system devices to protect the above mentioned roof areas. The electrical will be T&M. 205 also has leak that needs addressing.
- 7 Digitize images of mechanical details of Anaconda for posting on Director's section of Web site. Building plans, site plans, sewer, water supply, electrical and gas runs should be included if available. Have the images recorded in both PDF and JPG formats. Tom received a favorable bid from CopyCopy and will implement digitizing.
- 8 Gate exit sensor damaged by snow plows. Get bids for replacement. Make sure that replacement is buried sufficiently to avoid a short-term repeat of problem.

- 9 Update address and Email list. Personally check by phone with each owner to get correct telephone numbers for home, office, cell, fax, and anaconda unit. Also make sure that all Emails are correct. As of 5/2 at least 6 out of 31 Email addresses were incorrect. Put all data on one sheet, and submit to Frank for placement in director's section of web site.

TM

5/30/06

LEGEND: TM=Tom Malmgren, DM=Dick McKay
DP=Deb Pitney, BB=Ben Boughton. LR=Lee Rosenbaum, SS=Stan Sprinkle, HR= Hank Reinke

NOTE: Next Board Meeting will be Tuesday May 30th, 2006 at 10AM Mountain time.