

SUMMIT HOUSE EAST CONDOMINIUM ASSOCIATION  
MEETING OF BOARD OF DIRECTORS  
MINUTES  
JULY 3, 2006

Call to Order:

Neil Arnal, president, called the meeting to order at 9:00 AM per the notice distributed to all board members.

Board Members Participating:

Neil Arnal  
Pete Fowler  
John Finley  
Anita Gray (via telephone)  
Jim Ginther (via telephone)

Others:

Tom Malmgren  
Eric Malmgren

Manager's Report:

Neil suggested that the manager's report be included under the discussion of projects later in the meeting.

Financial Report:

Tom e-mailed all board members an Income Statement and Balance Sheet through May 31, 2006 prior to the meeting. The quarterly statement ending June 30 will not be available for a couple of weeks. It was noted that the association had cash in the bank of approximately \$76,000 and accounts payable of approximately \$7,000 as of the end of May. Thus, we are ahead of budget approximately \$14,000 through the first five months. Tom noted that this is a timing issue and we likely will be pretty close to budget through year end with an annual contribution to the reserve fund of about \$5,000. A brief discussion of gas and electric expenses was followed by discussion of both boiler and spa repair and maintenance expenses. Conservation measures will continue to be stressed in an effort to lower energy costs. Owners and employees are urged to not use the garage door as a pedestrian way, especially during the winter months.

Neil submitted an analysis that he had put together recently with the help of Tom comparing association dues. Of the ten different building complexes at Copper Mountain used in the study, Summit House East fell right in the middle as far as dues per square foot. Thus, contrary to prior assumptions that our dues were at the higher end compared to other buildings, Neil reported that we are pretty much average.

Old Business:

Summer Projects:

Replacement of the wooden tie walls at the garage entrance has been completed. This was done with Keystone Block (decorative concrete block product). The tie walls at the main stairway entrance are scheduled to be completed over the next several weeks. This work is being done by the resident manager with assistance from other owners. The total cost for this work will be in the neighborhood of \$6,000 or approximately half of the

bid received this spring from Neils Lunceford Landscaping. The board formally moved to approve the expenditure of up to \$6,000 for this work.

Painting of railings. A bid was received and communicated to the president several weeks ago. Neil authorized management to proceed with the \$2,500 bid. The board formally moved to authorize payment of this work once the invoice is received.

Discussion of the hot tub condition and future anticipated expenses was discussed. The board acknowledged that the current tub is more a residential type amenity that once needing replacement should be upgraded to a commercial unit. Eric and Tom explained that the costs this year include a new cover and new control panel for the tub. The old control panel would not allow the settings to be maintained and thus had to be replaced. This is one area of the residential nature of the current hot tub that gets a lot of abuse by the users.

Relocating the thermostat in the garage next to the garage door was next discussed. Tom reported that the Tolin technician suggested placing an additional heater back in the rear area of the garage allowing the existing heater right next to the garage door to be used on a much more limited basis. This will be followed up on and the bid circulated to the board once received. Tom guessed that a cost of at least \$1,000 would be applicable for this work, but it certainly could help with the heat loss experienced with the existing heater. This will be pursued to have completed by fall.

Neil reported that Bill Steele of Roofing Services had visited the building last week to measure and plan for proposed modifications to the scuppers that exist up on the roof, which has been a source of prior leaks. The board authorized up to \$5,000 for the modifications to solve this problem. The board also instructed management to replace all heat tape that is in these drainage gutters and downspouts every fall. The board asked that annual planning of the cost for heat tape be incorporated into the budget. Management will also check all of the electrical outlets on the roof to insure proper operation. Jim Ginther asked that the ceiling of their unit be inspected for a recent water stain that has been observed.

Neil reported that the new load of wood chips has been spread on the front entry berm, as the board previously requested.

A recap of the elevator inspection last February and the resulting damage to our door was described by Neil and Tom. Neil updated the entire board by stating that Tom met with the ThyssenKrupp Elevator representative and worked out an arrangement whereby the elevator service company would absorb the cost of the repairs. We had initially been told it may be as much as \$8,000. Tom promised to write a letter regarding the concerns we have with the elevator inspector, which he has not yet completed.

Neil asked the other board members for their input on the areas beneath balconies on the stream side of the building. Tom stated that his recollection was the board endorsed creating a planter type barrier at these areas and in fact Victoria (resident manager) has already started to fill in some dirt at these areas. The board encouraged further work on these areas but stressed not to spend more than a couple hundred dollars since it is a very low visibility area.

On a related landscaping topic, Neil suggested that the two trees next to the entry door adjacent to the hot tub deck be removed. The board members agreed but recommended removal of the spruce tree first to see if that would allow retaining the poplar. If visually removal of both would be best, planting of shrubs in that area was suggested.

Neil updated the board members that management had removed the signs at the entry to the driveway since the posts were rotten and unsafe. New posts have been purchased and the signs will be re-installed on the new posts. He also reported that the post holding the key mechanism for the garage access was damaged this past winter and will be re-welded or replaced.

The last item under projects to be discussed was completing an overlay of asphalt on the parking lot. Tom submitted a bid from A-Peak Asphalt of \$12,717.00. The board discussed thoroughly the pros and cons of timing for this work but ultimately all agreed that we should not wait. Tom was instructed to discuss with the contractor whether or not installing Petro-Tac fabric over the entire lot vs. only over the areas that are cracked would be cost effective. The board authorized proceeding with this work requesting it be completed prior to homeowners' weekend.

Tom reported that the Policies adopted at the last meeting are still in process of being fine tuned prior to publishing them on the website. This should be completed soon.

Pete asked if using florescent bulbs might be a long term cost savings effort worth pursuing. Neil will work with management on this idea.

New Business:

Neil suggested that the association become more active in discussions regarding the possible acquisition of a unit to have as a manager's unit. Recently Tom advised Neil that there possibly would be an opportunity to purchase a second floor one bedroom unit. However, that situation has since changed. The discussion ended with John Finley and Tom Malmgren being appointed to work on short and long term financial planning of the association, including the potential of acquiring a unit in the complex to be owned by the association to house a resident manager.

Next Meeting:

The board set the next meeting for after the annual meeting which will be held on September 1, 2006 at 9:00 AM.

Summit House East social/picnic:

The board scheduled a Summit House East owners' gathering on the hot tub deck for Friday evening at 5:30 on September 1, 2006. Accompanying the annual meeting notice will be more details regarding what owners should bring.

Anita inquired what could be done to prompt more owners to attend the annual meeting. She suggested a telephone campaign to urge more attendance.

Adjournment:

The meeting was adjourned at 10:30 AM.

Respectfully submitted,

Accepted,

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Thomas J. Malmgren, Managing Agent

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Neil Arnal, President