

Minutes for the Copper Junction Board Meeting

October 30, 2019

1.Call to Order- Meeting was called to Order at 1:06pm Mountain Time.

Present at Meeting:

Board Members-Ira Langenthal, Rusty Yull, Ryan Oliver and Susan Canny

Copper Junction Owners-Rich Rapp, Bob McGinnis, Rufus Nagel, Ron Levin, Jenn Loquasto, Richard Sealy, Gavin Malia (Agent for Owner), Billy Krasowski and Paula Parker.

A Quorum of the Board Members was present.

Meeting Minutes from the May 7, 2019 Board meeting will be emailed to all members prior to the next Board Meeting and a vote for their acceptance will be taken at the next Board Meeting.

Item #3 Ratification of prior actions of the Board taken outside a meeting

3(a)-Hiring of new management (*bookkeeping*) company-

3(b)-Change of legal representation-

Board's previous actions to hire Summit Bookkeeping and change Board legal representation to Mark Payne of Wizenburg, Leff, Purvis and Payne LLC were unanimously approved by the Board.

3(c)Election of 2019 to 2020 Board Officers was moved to the end of the meeting.

Item#4- Old/New Business

4(a)-\$250,000 Assessment-Assignment of Funds –explanation-

1. Ira Langenthal made a motion – Motion to authorize the transfer of \$42,000 (of the special assessment) from the operating fund to cover the payment of \$41,477.67 from the operating fund to the reserve fund in order to repay amounts borrowed, and spent, from the reserve fund in prior years and owed by the operating fund
Seconded by Rusty Yull. Discussion-none. Passed Unanimously by the Board.

2. Ira Langenthal made a motion- Motion to transfer up to \$108,000 of the special assessment as needed from the operating fund to the reserve fund to cover the remaining costs of the elevator contract
Seconded by Rusty Yull.

Discussion- Ira explained there was \$100,000 yet to be billed of the Special Assessment passed at the 2019 Annual Homeowners Meeting. The two motions presented today total the \$150,000 of the Special Assessment already billed.

Ira explained why the motions were necessary- According to state statutes, there must be a notice of intent to borrow from the Reserve Fund and an explanation of the use of the funds

presented to membership. The funds must also be returned to the Reserve Fund within one year. Neither of these conditions was met by previous Boards' actions.

The financial records of the Copper Junction HOA indicate on January 1, 2017, funds were transferred and spent from the Reserve Fund to the Operating Fund in the amount of \$36,487.67. Further transfers since then make the total transfers to the Operating Fund \$54,153.49. Ira stated, "It has gotten worse in the last few years" with the Equity and Operating Funds forecasted to decrease by almost \$70,000 by the end of 2019. Ira indicated we must eventually fund the \$70,000. The owners were made aware of this situation when the Assessment was passed at the 2019 Homeowners Meeting. The Homeowners further agreed, at that time, to leave the current dues structure 'as is' until after the end of 2019 while acknowledging the financial situation would get worse (total \$70,000 by the end of 2019) until a new dues structure was established and passed.

The motions presented and passed today for the replenishment of the Reserve Funds-and the recording of the amounts and uses for the Funds- is a corrective action for previous Board's financial actions.

The current motion was passed unanimously by the Board.

Elevator Update- Ira reported the elevator work was on schedule to be completed by Thanksgiving. A question was asked about the specific day during the week of November 18th the elevator work would be done. Although it might be done earlier the week of November 18th, anticipate the elevator work to be done by Friday November 22, 2019. An update should be sent to all members via email.

4(b) 1999 Land Lease Buyout/C-2 Basement resolution and Implications-

Paula Parker read the following to be entered into the Minutes-The 1999 land lease buyout cost to unit owners at Copper Junction was dependent strictly on the original (1972) square footage of each owner's unit. Copper Mountain ("CMI" the lessor/holder of master lease) requested to verify the square footage. In response, Copper Junction's HOA (CJHOA) disclosed that the "crawl space" shown under unit C-2 was never a crawl space but rather, it was built-as and was at the time, a full basement and an integral part of the unit, as it is today.

CMI agreed with the CJHOA and decided, with no additional input or involvement from the CJ HOA, that a map was needed for them to satisfy CMI's legal department. They called the map the, "First Supplement" and engaged a surveyor to create a map that was essentially, a "substitute" 1972 map and which showed the full basement but intentionally leaving out all other unit improvements. It was a GCE-only walk around done in 1999 to establish a buyout price; not to define or change anything to do with any other units. CMI stated, and their legal counsel agreed to charge the owner of C-2 (Mel Beckett of Beckett-Harmon / also the master lease lessee) for the full basement square footage. CJHOA was aware of this entire effort and all parties realized that the map could not be used for any operations at Copper Junction going forward.

At the signing to release the CJHOA funds to convert from leasehold to fee simple ownership (consent to release), Beckett (the Master lease/lessee) also agreed that the basement square footage would be used in computing CAM charges in C-2 and in all space additions, with or without a lease, and in all Copper Junction square footage additions going forward. All agreed; CJHOA signed and released funds.

Ira made a motion to enter this into the Minutes. Rusty seconded.

Discussion followed about the history of the allocation of square footage to units and the purpose and uses of documents indicating unit square footage. In response to Rufus Nigel's question, Ira

explained that in 1972 original measurements were conducted and owners had a Leasehold Interest in their units. In 1999, in conjunction with the buyout of all units to Fee Simple, the previously designated 'crawl space' under one of the commercial units was changed to usable basement square footage prior to the buyout being finalized. (The space had been a basement and used as a basement since the building was built) Subsequent modifications and updates to the commercial units since then have changed the square footage associated with the commercial units. Further, several residential units have made minor changes to the square footage associated with the units due to the change in the location of doors associated with the units. Units E1 and E2 also had minor changes through the years.

The Board will work with the company hired to replat the building to correctly incorporate the historical changes. Consistency in measurement methods must also be addressed and reflected in an updated plat.

Ron Levin inquired as to why the Owners Forum was skipped in the Agenda so the Board indicated the Owners Forum would now take place.

2. (a) Ron asked for clarification of whether the Board was hiring a management company or bookkeeper to replace the previous management company. Susan explained the minutes will be corrected to indicate the Board was hiring a company for primarily bookkeeping activities. Ira stated the Board had agreed to look into whether a management company should be hired after one year with the current company.

Ira explained that from 2012 to 2017 when the Board hired a management company that performed broader accounting functions than a bookkeeper would, the CJ HOA went \$54,000 in the red and would be \$70,000 in the red this year. From a numbers point of view and verified by Mike who works for our current bookkeeping service, we were already in the red \$54,000 in 2016—all while employing a management company.

Ryan indicated that if the HOA is doing worse than this after a year with the bookkeeping company, we will relook at the issue.

2(b) Gavin asked when the Board would provide a response to the Goodspeed attorney letter from the past summer inquiring about several issues and specifically the allocation of parking passes. Ira said a response would be provided by October 3. The parking policy would be addressed in general and the individual issues stated in the letter would be answered.

2(c) Ron indicated some owners are advertising their units are 'pet friendly' and that was against our pet policy which states owners may have pets on the property but not renters. Rusty made a motion that a letter be sent out to owners citing the current rule preventing renters from having pets in the units and that owners be reminded no renters may have pets in the units. Ira seconded the motion. No further discussion and the motion passed unanimously. *(Subsequent to the meeting it was discovered the*

current rules do not specifically prohibit non-owners from having pets in the units. The Board will revisit this issue at the next Board Meeting.)

There being no further items for the Owners Forum the Board addressed item 4 (c) on the Agenda.

4 (c) Finalization of CAM Allowances-use of baseline (Preliminary CAM Allocations)

Ira explained there are varying percentages for CAM allocation. We should look at the numbers used in 2002 and the key assumptions (ie measurement techniques) underlying those numbers. The 2002 numbers match the numbers used for the Lease Buyout and the consent to transfer funds when the lease Buyout occurred.

Discussion followed about the history of the building as it relates to CAM allowances, documentation used to determine unit square footages and what must be done to reach a resolution to this issue. Work paid for by previous Boards may be relevant to this issue. Ron said he would send the current Board the building prints and plat work performed by an attorney on behalf of a previous Board. The Board will continue to evaluate documentation to determine the correct CAM allocations.

4(d) Lease Updates- The status of the four sauna leases and commercial leases was discussed. The Board has agreed to allow a Board member led committee to gather information about the leases and make recommendations to the Board about the issue. Rusty Yull, Ira Langenthal, Ron Levin, Gavin Malia (Agent for Owner) and Rich Rapp agreed to serve on the committee. Discussion followed that suggested the goals of the committee should include the best interest of the HOA, a proper survey, making the leases more 'clear' and looking at the leases separate from the need to raise money. Discussion also clarified that the initial leases were directed by legal counsel, are legally binding contracts and the parties entered in good faith.

Ira indicated there were corrections to the leases provided by legal counsel in 2013 (per Board Minutes) that were to be incorporated into the existing leases. The current committee will address this issue.

Discussion returned to Owner Forum Topics

2(c) Questions were raised about the handling of taxes for the Limited Common Elements (LCE) – specifically the enclosed balconies. The question of liability for the LCE's was also discussed. Ron indicated the previous Board had not addressed either of these issues. The Board will consult legal counsel about these questions.

Discussion Returned to Old/New Business

4(e) Rules and Regulations-examples . There was discussion that the Parking Pass Policy and the rules for pets should be incorporated into our Rules and Regulations. The need to memorialize established practices was acknowledged by the Board.

4(f) Initial Thoughts on Lease Buyouts/Issues- There was further discussion about guidance for the committee to be fair, seek consensus in the recommendations to the Board, consider the legal ramifications and consider the benefit to the HOA.

4(g) Website/Dissemination of Information to Homeowners- For security reasons, it was determined the Secretary of the Board would run the HOA website and a new website would be developed. Options would be considered and the Board would determine how to proceed.

3(c) The Board unanimously approved the following Board Officers for 2019-2020:

President-Ira Langenthal

Vice President- Rusty Yull

Treasurer- Ryan Oliver

Secretary- Susan Canny

Meeting Adjourned at 2:52pm Mountain Time