

Mountain Plaza Homeowner's Association
Minutes of the Annual Homeowners Meeting
Saturday, September 1, 2007
Mountain Plaza Boardroom, Copper Mountain, Colorado

Introduction of members in attendance and lunch

Call to Order

The Annual Meeting of the ownership of Mountain Plaza Condominium Association was called to order by President, Tom Hallin. Members present were as follows:

Board Members

| | | Condo | Doors |
|----------------------|---------------------|-------|-------------|
| Tom Hallin | President | 609 | 625-627-629 |
| Jan Smith | Vice President | 403 | 407-409-411 |
| Lynn Paul (by phone) | Secretary/Treasurer | 407 | 419-421-423 |

Other Members

| Name | Condo | Doors |
|---------------------------|-------|-------------|
| Darren Loher | 301 | 301-303-305 |
| Margaret Estrabrooks | 303 | 307-309-311 |
| George & Anna Piner | 305 | 313-315-317 |
| Brian Soto & David Tadros | 310 | 324-326-328 |
| Dan & Ellen Wardrop | 603 | 609 |
| Andrew & Barbara Ruffing | 605 | 613-615-617 |
| Dan Melus & Scott Zook | 606 | 610-612 |
| Mark Smith | 608 | 618-620-622 |
| Lindee Sebald | 609 | 625-627-629 |
| Brian Soto & David Tadros | 701 | 701-701A |
| Brian Soto & David Tadros | 702 | 702 |
| Brian Soto & David Tadros | 703 | 703-704 |
| Brian Soto & David Tadros | 704 | 705-706 |
| Brian Soto & David Tadros | 705 | 707-708-709 |

Members by proxy

| Name | By | Condo | Doors |
|-------------------|-------------|-------|---|
| Commercial Retail | Robert Dion | | Commercial 7, 8, 108, 110, 111, 112 113, 114, 116, 119, 128, 129 |
| CMI Offices | Ben Brown | | Commercial 10, 202, 203 |

Others in attendance

| Name | Position |
|---------------|--|
| Howard Beck | Beck & Cassinis, PC |
| Shedd Webster | Copper Mountain, Inc Property Management |
| David Cozby | Copper Mountain, Inc Property Management |
| John Munfield | Copper Mountain, Inc Property Management |

A quorum of 59.55% was achieved by those present and represented by proxy.

Review and Approval of the 2006 Annual Meeting Minutes

The minutes were corrected to show condos 701, 702, 703, 704 and 705 were not present. The future owners were present, but not the current owners. The quorum was recalculated at 68.26%.

2006 Financial Reports and Interim Report

The corrected reports for 2006 were not available and will be posted on the web site when received.

Property Management Agreement

Copper Mountain has managed Mountain Plaza since inception. Under Ben Brown and Shed Webster's leadership we have been very pleased with their efforts on our behalf. At our request, they have employed a resident manager, Dave Cozby, who is already making a substantial impact on the appearance of our common areas.

For several years were told that Mountain Plaza did not have a management agreement with Copper Mountain's property management. Accordingly, we instructed our attorney to draft an agreement based upon their standard agreement but including some specific performance requirements for Mountain Plaza. A draft was submitted to Copper Mountain in 2006 with a management fee to be negotiated.

However, an existing agreement has been located and upon review, there are discrepancies in what we have been billed since 2002 in accordance with that agreement. Further, the agreement called for ownership approval of any cancellation. The board believes that it is in the interest of both parties to achieve a settlement of this existing agreement and negotiate a new agreement.

Accordingly, a motion to terminate the agreement as of January 1, 2008 and authorize the board to negotiate a new agreement was passed without opposition. The board members stated that they were pleased with the management and staff of Copper Mountain Property Management and wished to continue the relationship, provided that a satisfactory new contract can be negotiated.

Financial

Historically, the board has not been in the loop for day to day approval of expenditures by property management except for reviewing comparisons of the totals with the approved budget. A change was made during 2005 to begin detailed review of the invoices by the Board's Treasurer prior to payment. Our current Treasurer, Lynn Paul, has devoted considerable time to reviewing all expenditures prior to payment.

Our method of accounting and budgeting has to meet the requirements of the Colorado Common Interest Ownership Act. Our accounting method is the accrual basis in accordance with tax accounting as prescribed by the IRS. Due to short term rentals, we are a taxable entity in the eyes of the IRS and have to pay taxes on net income.

For the years 2003, 2002, 2001 and 2000, we employed Jansen, Kaufmann & Grothius, a CPA firm in Denver specializing in income taxes, amended our returns for those years and applied for

a refund based upon refunding the net income to the owners based upon a recent tax court case. Since that time, Tom Hallin has prepared the returns with the assistance of Linda Sebald, his daughter, at no cost to the Association following the pattern prescribed by the independent CPA's. The board has also required the segregation of Reserve Funds from the Operating Bank account into separate accounts for Residential and Commercial which we believe is an IRS requirement.

We continue to experience difficulty in getting the detailed accounting ledgers to be correctly adjusted and present a clear audit trail to the financial statements in the format prescribed by the Board. The owners voted to give Property Management 30 days to review this situation and if not resolved, we are instructed to employ an independent CPA to make a further review.

Ten Mile Circle Issues

As part of the new PUD, Copper Mountain has submitted a number of proposals for redesign of the Ten Mile Circle, a public road in front of Mountain Plaza that has considerable potential impact on our Building. Involved are a change in surrounding grade elevations, access to our garage and pickup of trash. Due to the serious potential impacts, the Board has employed our architects and a traffic engineer to advise and represent us. While considerable progress has been made, we are not yet in agreement and do not have copies of the latest plans. However, we expect this situation to be resolved soon to the satisfaction of all parties.

Property Manager's Report

This has been a very productive year for Mountain Plaza. The following significant changes are noteworthy:

Operations

- The lobby has been redesigned, a fire place added and the furniture replaced. It is a very warm meeting area now.
- David Cozby has joined the Mountain Plaza team as your new Association Manager. David brings over 30 years of construction and maintenance experience with him. With him, John Munfield has stepped into his new role as your Building Superintendent. They have made great progress in restoring the beauty of Mountain Plaza through their own hard work.
- The entry awning is gone! It was severely deteriorated, so with Copper's assistance the entry appearance has been significantly improved.
- The first and second floors have had a face lift, with 3-7 to follow through the summer. By this winter, Mountain Plaza will look like a much younger building.

Financial

- Operations YTD (Apr) is about \$20,000 under budget; however \$7,000 is due to late Waste Management invoicing. Significant savings in: snow removal, janitorial, labor, and gas helped to offset higher expenses in HVAC, plumbing and electricity.
- Ownership and Management expenses were slightly under budget.

Capital

- The major project, hot tub installation is being finalized with a new contractor (Travis Construction). The Board will have more details by the time of the annual meeting; I expect the project to be well underway.

Management

- Copper Mountain Property and Homeowners Services as reorganized as discussed last September to provide you better, more professional support.
 - In addition to a strong core of over 20 building superintendents and custodians, we now have five association managers rather than the two we had last year to support the 19 associations we manage.
 - Four of our association managers have passed the Community Associations Institute Essentials course and are well on there way to becoming nationally Certified Managers.
 - Our fifth manager, David Cozby, is just beginning the journey after serving as a construction manager for large scale development.

We look forward to another year of continued improved service and support for Mountain Plaza, the Board and owners.

Copper Mountain, Inc. Report

Gary Rodgers briefly reported on Copper Mountain improvements and answered questions from the members.

Maintenance and Capital Improvements

Hot Tub Project – After many delays the Hot Tub project has been started and is scheduled to finish early in November. In addition to the tubs themselves and the associated rest room, we authorized repairs to the surrounding drainage and pavement. In addition, the Architectural Committee of Copper Mountain and Summit County required replacement of the existing fence.

Lobby & Fireplace – The fireplace reconstruction and lobby refurnishing has been completed. Jan Smith coordinated the furniture redecorating.

Security System – Mountain Plaza is the least secure and most vulnerable of all of the buildings in the Center Village. We have experienced thefts and damage of an unusual nature. Phase I of our improvement program has been completed that has installed security cameras in all floors. We recently received a bid to secure the elevators and

emergency exits from floors 3 to 7. Phase II is being planned to complete the system and will probably be included in the budget for next year.

HVAC – Last year we authorized replacement of a roof top air handling unit that had broken down. The cost of a new unit was not much more than repair of the old one. Unfortunately, snow came early and the replacement has been delayed until this fall.

Hallways – Dave Cozby is coordinating the painting of the hallways and Shed Webster has recommended a durable replacement carpet. We are looking for alternate bids and expect to make a contract this month.

Employee Units – We are in the process of designing and installing much needed improvements to the employee units partially from funds set aside for this purpose only at the time of purchase.

Lake Area Roofs – The Copper development group has promised to submit plans for redevelopment of the one story roof area on the lake side of our building.

Board Member Election

Based upon nominations from the floor, there are three candidates for Jan Smith's seat on the board:

- Jan Smith
- Randy Dessau
- Robert Dion

Due to a challenge of a proxy for some of the commercial areas, it was decided to recess the annual meeting to Saturday, October 6, 2007 at Mountain Plaza Condominiums at Copper Mountain.

Respectfully submitted,