



September 13, 2024

Update to Anchorage Owners:

Finally, we have some good news: The Board met again Wednesday September 11 and approved a contractor's bid to reestablish heat and domestic hot water and determined the amount of the line of credit from Alpine Bank and the amount and timing of the assessment to owners to repay the line of credit. The goal since our last communication of August 30 has been to find funds ASAP and a contractor to complete the repairs in the boiler room before freezing weather. Even with those goals apparently accomplished, there will be no baseboard heat in the units until the project is completed, hopefully in mid-October.

The insurance adjustor had estimated repairs at \$200,000 +. Four plumbing HVAC contractors assessed the project and provided bids and specifications as late as September 11. In unit options and above ground boilers were considered and eliminated. Tolin Mechanical with a replacement estimate of the existing boilers of \$650,000 and a 4 month equipment delivery date was eliminated with a start date of mid-November. The award was made with consideration of the costs, personnel involved, products offered, and anticipated start and finish of the project. One local contractor bid \$499,260 with a start date of October 7 or 14 and a finish date of November 18 or 25-far into the winter weather. The other local contractor hustled to submit his bid just prior to the Board meeting. His bid was \$295,000 using different boilers with a start date in late September and finishing in early November.

GoTanklessColorado (GTC) based in Boulder was awarded the bid of \$242,500 as the lowest bidder utilizing the same 4 boilers as the highest bidder, starting as early as Monday September 16 and expecting to finish in 4 weeks-mid October. A master plumber and the seasoned hydronics plumber/owner will be part of the 4 man crew. All boiler room plumbing and heating equipment will be removed. There will be 4 identical high efficiency boilers coming sequentially online as demand increases. If one boiler fails, there will still be others to carry the load rather than shutting down the whole system for repair. These boilers are 97% efficient versus the previous 65% efficient boilers. The current 3 inefficient damaged water heaters will be replaced with 2 energy efficient indirect water heaters heated by the boilers. The Board accepted GTC's extra proposal for an indirect energy efficient pool heater supplied from the boilers as a replacement to the failed pool heater. The new system may result in more than 30% gas savings. The boilers will be placed on a 2 foot platform as protection from flooding. To prevent freeze exposure, the baseboard heat system will be drained, and the one functioning hot water heater will provide domestic hot water until the indirect water heaters are connected to the boilers. Prior to installation, the radiant heat system and domestic hot water systems external to the boiler room will be pressure tested for leakage. The Board accepted the recommendation of an optional boiler room heater but requested options to the one proposed.

In addition, there are costs for state and county permits and inspections, construction of a lower materials storage room and boiler platform, and installation of an additional sump pump, The Board agreed to provide lodging to the 4. There will be loan legal fees, loan origination fees, and interest until loan repaid with assessments. There are many unknowns yet to be encountered



with unknown expenses thus a contingency of 20% has been included. Any unused funds will be added to the HOA reserve account.

The Board determined that the fastest way to get funds to initiate repairs sooner was to obtain a line of credit from Alpine Bank, our current long term lender. On Wednesday September 11, the Board approved applying for a \$400,000 line of credit. The Bank will work to have funds available in 2 weeks. The interest rate may be prime +1 and the term will be 12 months. No collateral is likely to be required. The Bank required the Board to approve a motion allowing the Bank to seek repayment of the loan from owners directly and proportionately if in the unlikely event the HOA does not repay the loan.

On Wednesday September 11, the Board approved assessing the owners to repay the line of credit as soon as possible. The repaid line of credit will remain available for rapid emergency funding of a catastrophic event. The size of assessment was foreshadowed in the two memos to owners on August 23 and August 30 with notations that early cost estimates were in the \$300,000-\$650,000 range. The assessment will be a gross of \$340,000 divided fractionally per the existing 2- and 4-bedroom formula of the 30 units. See the last page for the amount per unit. The individual unit assessment is due November 15, 2024. If you wish to have it withdrawn by ACH, please contact Summit Resort Group at (970)468-9137. It is imperative that owners meet their obligation fully and on time as the HOA will be accumulating interest. If owners wish to utilize the offer of Alpine Bank to establish a line of credit to cover the assessment, they may contact Keaton Morrison at (970) 513-5905.

The Board has decided not to pursue the insurance claim after reviewing the risk of cancellation by the HOA's long time insurer-Farmers and risk of the inability to obtain either reasonable insurance or any insurance at all if we pursue the claim causing a much higher claims/premium ratio. Our recent single claim of only \$37,000 resulted in a 15% surcharge. In addition, Farmer's required approval of the contractor's bid prior to the start repairs before funding that would further delay the start and finish of the project. Owners may seek loss assessment reimbursement from their insurer for this assessment to cover HOA property damage.

None of these decisions have been taken without serious discussion and consideration. They effect the Board Members as much as the other owners. The Board wishes to thank Kevin Lovett and Gail Filkowski of Summit Resort for their extraordinary efforts with this unexpected occurrence. If you have questions and concerns, please contact Gail at (970) 455-1502 or by email to gfilkowski@srgsummit.com.

Sincerely,

Board of Directors
Anchorage East Condominiums



Unit Number	Dues Percentage	Amount Due 11/15/24
11	3%	\$ 10,200.00
12	3%	\$ 10,200.00
13	4%	\$ 13,600.00
14	3%	\$ 10,200.00
15	3%	\$ 10,200.00
16	4%	\$ 13,600.00
21	3%	\$ 10,200.00
22	3%	\$ 10,200.00
23	4%	\$ 13,600.00
24	3%	\$ 10,200.00
25	3%	\$ 10,200.00
26	4%	\$ 13,600.00
31	3%	\$ 10,200.00
32	3%	\$ 10,200.00
33	4%	\$ 13,600.00
34	3%	\$ 10,200.00
35	3%	\$ 10,200.00
36	4%	\$ 13,600.00
41	3%	\$ 10,200.00
42	3%	\$ 10,200.00
43	4%	\$ 13,600.00
44	3%	\$ 10,200.00
45	3%	\$ 10,200.00
46	4%	\$ 13,600.00
51	3%	\$ 10,200.00
52	3%	\$ 10,200.00
53	4%	\$ 13,600.00
54	3%	\$ 10,200.00
55	3%	\$ 10,200.00
56	4%	\$ 13,600.00
	100%	\$340,000.00