

Anchorage East Condominium Association

2020 Projects Update

Dear Anchorage Condominium Owner,

At the 2020 Annual Owner Meeting, discussions took place regarding major capital improvements at Anchorage East. This is the largest project in the 50 year history of the Association. Following owner feedback, the Board of Directors have been working on the scope and funding of the project. That process is now complete, and we would like to provide all owners with an update.

The following projects are scheduled to be completed this year:

- **Lakeside Retaining Wall Repairs:** The lakeside retaining wall has been inspected by an engineer. After decades of use without much maintenance, urgent repairs are required to protect the wall and ensure decades more of life.
- **Lakeside Retaining Wall Fence:** Insurance company mandates are requiring the installation of a new fence that meets current code. (State Law requires a minimum height of 42"). A homeowner sub-committee has chosen a minimalist vertical bar fence.
- **Fence Separating the Wall and the Lake** A survey of that property line was commissioned in order to determine out property rights regarding infringement by the neighbor. The current fence will be removed and a new one will be placed on our property line. narrowing the width of that space and allow minimal access and storage of neighbor's items.

The following projects are scheduled to be completed in Spring of 2021:

- **Unit Deck Railings/ Common Stair Railings:** Insurance company mandates are requiring the installation of new railings that meet current code. (State Law requires a minimum height of 42" and new handrails that are ADA compliant). A sub-committee has been looking at options. More details will be shared this winter.
- **Pool Fencing:** Insurance company mandates are requiring the installation of new pool fencing that meets current code. (State Law requires a minimum height of 60"). This will be the same style as the retaining wall fence.
- **Pool Deck and Edge Coping:** The current pool edge coping and deck has deteriorated to the point of effecting pool integrity. A homeowner sub-committee is exploring options to recommend to the board.
- **Boiler:** As you are aware, one of our two boilers have been replaced. To have a fully functional system with "backup", the second boiler needs to be replaced. The backup boiler is original to the building.
- **Hot Tub: IMPORTANT TO NOTE:** Our existing hot tub is a "residential grade" hot tub. While functional, it is unable to keep up with large bather load demand (it is designed for a single-family residence and the filtration system cannot keep up with large bather load. The fate of this item, and plans for the future, will include input from homeowners this winter.

Project Contractor: Following a robust bidding process the Board of Directors has selected Empire Works as the primary contractor for these projects.

Project Funding: This project will be funded through an \$800,000 credit line provided by Alpine Bank. At the completion of the project, this credit line will be converted into a loan with a maturity date of June 30th, 2032. The final loan amount will be based on final project costs and any additional improvements that may be required. The Association is only responsible for making interest payments on the amount drawn from the credit line until the conversion date. This funding mechanism was approved by the Board of Directors during a regularly noticed meeting held on September 10th, 2020.

Early 2021 Special Assessment: A special assessment will be due on February 1st, 2021 to cover the anticipated interest payments on the first two phases of the project in 2020 and 2021. The assessment will vary from \$1,353.96 for 2 bedroom and \$1,805.28 for 4 bedroom units based on the formula in the Association's Declarations. Funds received from the assessment will be deposited into a dedicated special project account. Prior to the special assessment, the Association will fund interest payments using existing reserves.

Monthly Special Assessment: At the completion of the project, any remaining funds in the dedicated account will be applied to our loan balance as we convert our line of credit to a permanent 14 year loan. Assuming that we have a permanent loan of \$800,000, there will be a monthly special assessment of \$200 (2BR) AND \$266 (4BR) until June of 2032. If the final cost of the project is less than anticipated, this number may be reduced based on actual expenditures. The board is considering an option to allow full upfront payment of the total assessment instead of monthly payments.

Project Start Date: *Work on the retaining wall and associated fencing is scheduled to begin Wednesday October 21st.* Please note that the next twelve months will cause the property to become a construction site with further disruptions in addition to those caused by the pandemic.

Additional Project of the Board: This winter the Board will review and revisit the antiquated association rules and regulations for your future consideration. This will include input from an attorney and a homeowner subcommittee on rental policies.

Thank you for your patience. We look forward to working with you to complete these necessary improvements to our community.

Your Anchorage Condominium Association Board of Directors