

more on likely probs w/ complex

SUMMARY OF #300 BUILDING FREESILVER CT. REPAIRS & MOLD INVESTIGATIONS

not in 1-
#300

efforts of

Summary of discovered leaks and subsequent repairs:

1. engineers
2. archer
3. contractor
4. City
5. Remediation contractor
6. Mold guy.

7-14-09—Judy Norman reports mold found on the drywall inside her unit, behind headboard of bed. Investigation by a plumber (Rick at U. S. Boiler and Plumbing Co.—called by Judy Norman, Servicemaster also called by J. Norman at the same time) traced leak in party wall between units 314 and 316. Leak was coming from a coupling in a toilet drain line from unit 325. Leak had probably been active for months according to the plumber, who made this guess based on the condition of the drywall in the 314 living space. The coupling may have been missing the appropriate glue. Fireman's Fund (HOA Insurance) agreed after inspection that they would cover the resulting damages from this initial leak in the party wall. They did not pay for the actual plumbing fix.

how widespread
prob. is

what work
need to
be
addressed

At the same time (7-14-09) the plumbing leak was reported, J. Norman reported that she had a leak on the inside of her storage unit. There was very obvious damage to the drywall in the storage unit, close to the ceiling. This leak was addressed as a lower priority to the leak inside of unit 314, and there were inherent challenges in the investigation of the leak because the storage unit was full and could not be accessed.

all
info for

After the initial plumbing leak was repaired, Servicemaster began the investigation of the condition of the party wall between 314 and 316, but they required asbestos testing because of the date of construction of the building. DS Consulting conducted this test, which came back negative. Servicemaster also required a mold remediation protocol to be written for them to follow, and to that end, initial mold level testing was done in both 314 and 316; both units showed very high levels of mold. As Judy Norman's unit is a

effort to
investigate

all
legal
up front

arrive at
a foundation

for future upgrades/funding
options.

studio there was no way to isolate the mold in the unit, she was advised by Servicemaster, FCP, and DS Consulting to not stay in her unit.

During the investigation of the party wall, once substantial amounts of drywall had been removed, water was observed to be penetrating the living space of 314 from the area of the storage room. This in turn led to the investigation of the exterior wall above the 314 storage area, where extensive moisture damage was discovered.

Judy Norman also reported that her bathroom wall above the shower had recently shown evidence of damage, as drywall screws had popped through the surface. This claim was filed with the HOA insurance, for a total of three (1. initial plumbing leak in party wall 2. storage room leak—later discovered to be coming from the adjacent exterior wall 3. leak coming into bathroom—also discovered to be coming from the exterior wall). HOA insurance has not made a decision on the two exterior wall claims as of 9-29-09.

Mold testing done in the #300 Freesilver Building: Initial baseline testing for the remediation of units 314 & 316 was done. Mold testing in all crawlspaces in all buildings was done. Attic and unit testing will be done this week. As the crawlspaces represent the bottoms of all units, testing was initially done here to give an overview of types and levels of mold likely to be found elsewhere in the complex. Visual inspection of the crawlspaces also indicated structural damage to bottom and top plates of wall construction.

The mold testing to be done in the attics will indicate what levels and types of mold are present there, and whether or not this mold is able to travel into the living spaces beneath. The testing done in the units will indicate types and levels of mold in the living spaces. Core samples are also going to be taken from areas of the exterior walls of #300 FS building, specific areas to be chosen by the contractor doing the repairs. These samples will give an idea of the level of moisture damage likely to be found in other areas of the complex. The engineers, the City of Aspen building

department, and the architects involved all have indicated that using the #300 FS building as a cost template for the rest of the Association's buildings is the best approach for the potential repairs needed in the future.

This is a general summary of events. The greatest challenge encountered in both the living area of unit 314, and the exterior wall repairs has been locating a suitable place to stop the demolition process and begin repairs. Unit 314 had to be gutted, and the exterior walls had such significant structural damage that the City of Aspen's building department had to be brought in to recommend how they should be repaired. Any delays in this process have been a direct result of the number of parties involved, and the inherent complexity of the repairs themselves. The presiding directive is to get the exterior walls repaired sufficiently for the coming winter, and to re-examine these issues next spring/summer.

CADCODE
487 Sun King Drive Avenue
Glenwood Springs, Colorado 81601
(970) 384-1515

July 8, 2008

Gordon Altmaier
2 Man Crew, Inc.
423 Escalante
Carbondale, CO 81623

Dear Gordon,

Per your request, I have made two site visits to Units 412, 414, 422, & 423 Teal at the Centennial multi family housing development in Aspen and reviewed the demolition performed by your company. I have also reviewed the pictures you provided in order to help determine the sources of the leaks causing the water damage to the walls and decks of these units. Two sources of water infiltration became evident from this research. A third source was described to me by you.

The damage to the decks and walls appear to be concentrated in the stud bay between the ½ wall between the units, the ½ walls themselves, the lower wall between the units, and each joist bay immediately on each side of the walls between the units. Significant water damage and rot is evident. The joist bays and plywood decking beyond these two joist bays appears minimal or non existent moving away from the center of the two units. Water infiltration also was evident in the window next to the sliding glass door of Unit #412 adjacent to the interior wall between the two units on the lower level. This infiltration was observed by the occupant. This area was not demo'd.

The first source of water infiltration is located in the vicinity of the two ½ walls between the units. The ½ wall of Unit #423 is capped with a 2x12 and is above the ½ wall of Unit #422. The 2x12 cap slopes towards the center of the 2 units and back towards the building. The ½ wall of Unit #422 is capped by a 2x8. The 2x8 cap is slightly humped in the middle and slopes back towards the building from the hump. At the front (away from the building) the 2x8 cap slopes away from the center of the 2 units. At the back (towards the building) the 2x8 cap slopes towards where the ½ walls intersect the building. In summary the caps slope to the middle of the two units and back towards the building wall. The roofing material used on the left Unit # 423 runs up over the cap wall and terminates on the horizontal plane of the 2x12 cap. As the 2x12 cap slopes towards this termination water accumulation and infiltration appear to have occurred here. As the caps of both ½ walls slope back towards the building this also appears to have been a source water infiltration. This area appears to be sealed only by a large caulking bead. This source of water infiltration could cause both the water damage to the deck joists and

decking and walls below as well as the ½ walls themselves. It is not clear if this source of water infiltration could cause the damage to the sliding glass door wall of Unit #422. further Additional demolition and observation could possibly further the identification and isolation of the source of the water infiltration.

The second source of water infiltration appears to be from the plexi glass and steel overhang addition on the right Unit # 422. The surface of the siding under this overhang is water stained. On my second site visit it had been raining just prior to my arrival and was still raining slightly. A significant amount of water was observed running down the face of the building, and, a significant amount of water was collecting on the head of the door jam of the sliding glass door below outside the siding. There is no trim around this door jam. This area is sealed with a caulk joint. Gaps at the connection of the metal frame to the building also appeared to be present that would allow water to enter the building behind the siding and sheathing. The head of the door jam slopes towards the wall between the two units. Significant rot is evident on the door jam on the side between the units above the vertical termination of the ½ walls. There is also significant rot and water damage at the base of the stud cavity between the ½ walls and the sliding glass door of Unit #423. The water infiltration from this source appears to be significant in quantity and could contribute to the damage to the walls below, the deck joists and decking below, and the sliding glass door wall of Unit #422. It is not clear if the water infiltration from this source could contribute to the damage to the ½ walls without further demolition.

The third source potential of water infiltration is a deck membrane leak of the deck of Unit 422 that was apparently repaired several years ago. According to your reports, this leak was repaired by adding a new membrane over the top of the existing membrane at the time. This new surface appears to be a cemented rolled roofing material flashed with ice and weathershield type material. The deck joists of both units slope away from the building towards the lawn area. The deck joists of Unit #423 are level horizontally and the joists of Unit #422 slope horizontally towards the center of both units, the location of most of the damage. The extent to which this contributes to the damage of the deck framing and wall between the units below is not clear. Since the damage to deck joists and decking of Unit #422 is confined primarily to the 1st joist bay, the roof leak if there was one, would also appear to have been confined to this area of the deck roof only.

In summary, it appears from the extent and location of the damage the first (1/2 walls) and second (metal/plexi glass roofoverhang of Unit # 422) sources of water infiltration are significant and are significant causes of the water damage. The first (1/2 walls) appears to be the most likely cause of the damage to the ½ walls themselves and certainly a contributing cause of the damage to deck joists, decking, and walls below. Whether the first (1/2 walls) source of infiltration contributed to the damage to the sliding glass door wall of Unit #422 and the damage to the drywall in the window of Unit #412 is still not clear. The second source (metal/plexi glass roofoverhang of Unit # 422) appears to be the most likely cause of the damage to the sliding glass door wall of Unit #422 and the water damage infiltration of the drywall in the window in the sliding glass door wall of Unit

#412. Whether the second source (metal/plexi glass roofoverhang of Unit # 422) is a major contributing factor to the deck joist, decking, and exterior demising wall between the lower decks is still not clear. It certainly could be. Both of these sources appear to have allowed significant quantities of water infiltration into the substructure of the building. The third source (deck membrane leak) is somewhat questionable. Based on the limited location of the water damage, if all that was repaired was the membrane, it is possible that this was not the source of the problem at the time of the membrane repair and the source was actually from the first (1/2 walls) and/or the second (the plexi glass and steel overhang addition) water infiltration sources. Additional demolition of the 1/2 walls, the sliding glass door walls of Unit #422, and the decks could be done to continue to further isolate and analyze the sources and extent of the water infiltration.

The wall with the siding glass door of Unit #423 was not demo'd. Demo of this wall might help to further identify the water infiltration source(s). The metal roof overhanging above this wall is different construction from the plexi glass roof of the adjacent unit #422 and does not appear to have any leaks based on surface observation only.

Sincerely,

Bruce Stolbach
Cadcode

Centennial

9/9/08

NAME

UNIT

	SETH DELGRASSO	319 FREE SILVER
(B)	Ed Cross	321 FS.
(CB)	Kim Bracher	126 FS
	JEFF SPIRAF	323 FS
	MICHAEL BOTICA	323 FS
B	ERIC PEKKALA	327 FS.
B	DAVID SPILL	323 T
B	CAROL PASTERNAK	323 T
	KEVIN O'DRISCOLL	324 T.
	JOHN KENNEDY	221 R
	Gordon Altmeyer	TIMEI
	YVONNE HERNANDEZ	316 FS
	Barbaur	222 FS.
	Paulo Frank	220 Free Silver
	Karen Silverman	317 Free Silver
	Jason Close	319 Teal

9/9/08
Ivan opened the meeting

A. Bert gave an update
the ~~the~~ water damage, as being
major but undetermined as far
as a dollar figure. Basically
this ~~set~~ summer was an
investigatory process for construction
in 2009. Ed Cross summarized
the original

~~///~~ B. Fred ~~soyka~~ Soyka
gave a summary of the reserve
section with the upcoming potential
building repairs to ~~be~~ need a
major reserve collection boost.
The general feeling was to ~~revert~~ propose
a reserve budget for 2009 to be
120K.

C. Bert will prepare a scope of
~~bid~~ work for bids to go out
this winter ~~for~~ for work to ~~be~~ be
~~per~~ performed in the summer of

09. Bert felt that ~~there~~ we
could temporarily ~~fix~~ prep for winter
conditions about 3 units. Also

We should remove the steps
on lower level this fall. ~~The~~
membership ~~then~~ Bert thought that
we should remove the overhang between
~~buildings~~ buildings. ~~Bert~~ Bert will take
off the steps on lower level, & do center
prep work on 3-5 units, and remove
the ~~overhang~~ breezeway roof sections.
Board authorized one case of chalk
and one gun ~~with~~ for Homeowners.
Use. FCH to put in Newsletter.

D. Propose 2009 bring cable in line with current rates and increase base rate for water.

II New Business


FCH to order 30 tire stops and replace the worst ones. IP to ~~give~~ give him ~~new~~ GL of Landscape. 1/2 item.

~~III. Meet~~

III. Old Business.

A. Ed Cross summarized that Wendy Morrison will draft a ^{smoking ban} proposal to go to membership vote. Kim would like to ~~see~~ see the smoking ban ~~and~~ include grand fathering the current smokers. Fire Marshall to create newsletter ~~and~~ information for newsletter. Pags rules in next newsletter. ~~Next meeting~~ 11/18/08



A company of Allianz 

December 17, 2009

Travis Beard
First Choice Properties
252 Coryell Ridge Rd.
Glenwood Springs, CO 81601

Re: Insured: First Choice Properties
Claim Number: 005-09-642483
Insuring Company: American Insurance Company
Policy Number: MZX 80873176
Date of Loss: August 1, 2009
Location: 300/400 Free Silver Ct, Aspen, CO

Dear Mr. Beard:

We have completed our review of the above referenced claim, submitted under policy number MZX 80894861, and received in our office on August 3, 2009.

At this time, we are providing you with our coverage opinion based on the facts of the loss, as we know them and the language of the policy.

You have submitted a claim for water damage to exterior stucco in various locations throughout the complex. Our investigation included an on site inspection by Case Forensics and multiple inspections by Jean Simonson of McMillan Claim Service. Case Forensics has formed a conclusion on your damages, and we have provided you a copy of this report for your review. This report reads in relevant part as follows.

"Conclusions

Based on an engineering analysis and the findings of our site examination/investigation, the following conclusions are presented with a reasonable degree of engineering and scientific probability:

1. The reported, observed, and documented water related rot and construction material degradation damage to the multi-family residential building is the result of numerous deficiencies within the application of the exterior finish and flashings leading to improper storm water moisture control. These noted deficiencies include a lack of window head flashings, lack of kicker flashings, improper water table flashings, and improper cap flashings. These deficiencies have allowed water over time to infiltrate into the home and behind the exterior finish elements

Fireman's Fund
Insurance Companies
A member of the
Allianz Group

270 E. Hunt Highway, #16, PMB 168
Queen Creek, AZ 85243

480-987-9973 phone
888-375-1660 fax

causing both the structural and cosmetic damages observed. Throughout the investigated building there were numerous locations where trim boards, siding boards, and fascia boards were stained from moisture exposure. In addition there were cosmetic water stains caused by rusting fastener. The moisture intrusion into the subject is a long-term and continuing event which most likely started shortly after construction was completed.

2. The reported, observed, and documented water related rot and construction material degradation damages to the multifamily residential building were not the result of an occurrence of vandalism, a vehicle strike, or a single sudden or instantaneous natural events such as windblown rain, hail impacts, a lightning or tree strike, earth or structural movement due to an earthquake or landslide and /or structural loading due to the effects of snow, or a sustained or gusting wind.
3. The reported, observe, and documented water related rot and construction material degradation damages were the result of long term deterioration resulting from abuse, age, neglect and / or maintenance failures."

After reviewing the facts of the loss and reviewing the policy conditions, we must regretfully advise you that we are unable to find coverage for your loss. Your policy specifically excludes losses that result from wear and tear, improper construction methods or defective materials used in construction or repairs to the premises. As stated in the report from Case Forensics, the damages being claimed are as a result of these causes.

Please refer to your Property Gard Building and Personal Property Coverage Form, 142000 12/88r2, which reads in relevant part as follows:

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the location described in the Declarations caused by or resulting from any Covered Cause of Loss.

...

We now direct your attention to the Causes of Loss Form 141035 12/88, which reads as follows:

Special Causes of Loss

When **Special** is shown in the Declarations, covered causes of loss means the Basic Causes of Loss and Risks of Direct Physical Loss not covered by the Basic Causes of Loss unless loss is excluded or limited as stated in Sections B and C that follow.

B. Exclusions

- ...
2. We will not pay for loss or damage caused by or resulting from any of the following:
- ...

d. (1) Wear and Tear

- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

But if loss or damage by the **specified causes of loss** results, we will pay for that resulting loss or damage.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

c. Faulty, inadequate or defective:

...

- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading compaction

- (3) Materials used in repair, construction, renovation or remodeling: of part or all of any property on or off the described premises.

- (4) Maintenance; of part or all of any property on or off the described premises.
- ...

Additionally, please refer to the following relevant section of your policy:

DEFINITIONS

1. **Specified Causes of Loss** means one or more of the Basic Causes of Loss:
2. If Special Causes of Loss is covered Specified Causes of Loss also includes falling objects: weight of snow, ice or sleet, water damage and building glass breakage.

- a. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

...

Please also refer to your Commercial Property Conditions, Form CP 0090 07/88, which reads in relevant part as follows:

H. Policy Period, Coverage Territory

Under this Coverage Part:

- 1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and

...

In summary, we are unable to extend coverage for your loss, as the damages to your property were caused by specifically excluded causes.

Although repairs to the property are not covered for reasons we have explained above, it is extremely important for you to complete necessary repairs in order to prevent further damage from occurring. Please note that failure to effect necessary repairs to your property may result in additional damage occurring that is non-fortuitous and not covered under your policy.

We again direct your attention to the Commercial Property Conditions, which read in relevant part as follows:

D. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

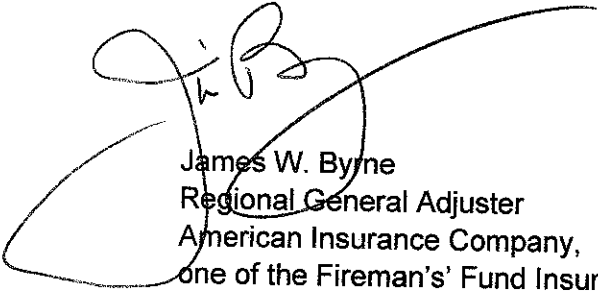
- 1. There has been full compliance with all of the terms of this Coverage Part; and
- 2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

Please understand that this letter is not intended to waive any of the rights or defenses of the American Insurance Company, which it may now have and which may hereafter

accrue to it by reasons of the terms and conditions of the above captioned policy of insurance, or otherwise, and that all of the said rights and defenses are specifically reserved to it.

After review of this letter if you have any new information that may affect our decision, please forward and I will gladly review any new documentation submitted for consideration. Finally, if you have any questions regarding your loss, please feel free to contact me at the telephone number listed below.

Sincerely,



James W. Byrne
Regional General Adjuster
American Insurance Company,
one of the Fireman's' Fund Insurance Companies
a member of the Allianz Group
480-987-9973

Reviewed by Kimberly Chagnon, Territorial Supervisor

CC: Neil – Garing Agency, Inc.
201 Centennial
Suite 400
Glenwood Springs, CO 81601

CENTENNIAL OWNERS' ASSOCIATION

BOARD OF MANAGERS MEETING

October 27, 2009 at 6:30 P.M.

PITKIN COUNTY LIBRARY

ORDER OF BUSINESS

- I. Call to Order
- II. Roll Call
- III. Approval of Minutes
- IV. Financial Report
- V. Report from Construction Committee
- VI. Old Business
- VII. New Business
 - 1) Set annual meeting date in December, 2009 *ETM*
 - 2) Review of Preliminary Proposed 2010 Budget
 - 3) Disturbances/littering from 423 FSC, Shadrack Murphy
 - 4) Snowplow Contract
 - 5) Posting Accounts Receivable Report to Website
 - 6) Collection Procedure
- VIII. Next Meeting:
- IX. Adjournment

NOTICE OF BOARD MEETING
of
CENTENNIAL OWNERS' ASSOCIATION

PLEASE TAKE NOTICE THAT the Board meeting of the Centennial Owners' Association for the purpose of transacting business as may properly come before the meeting will be held on the date and at the time and place stated below.

Date of meeting: October 27, 2009

Time of meeting: 6:30 p.m.

Place of meeting: Downstairs Meeting Room, Pitkin County Library

*Mailed out
10-22-09*

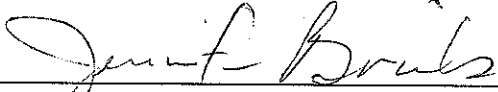
**AFFIDAVIT OF MAILING OF
NOTICE OF BOARD MEETING**

of

CENTENNIAL OWNERS' ASSOCIATION

Jennifer Briels, being duly sworn according to law deposes and says:

I am the Association Assistant of Centennial Owners' Association, and that on October 22, 2009 I personally deposited in a post office box in the City of Glenwood Springs, County of Garfield, State of Colorado, copies of the Notice of the October 27, 2009 Board meeting the of Centennial Owners' Association, a copy of which is attached, each enclosed in a securely sealed postage paid envelope, one of the notices addressed to each person or persons whose names appear on the annexed list of association members and to their respective post office addresses as therein set forth.



Association Assistant

Sworn to before me this _____
day of _____,
20_____.

HOA ASSOCIATION SIGN IN SHEET

UNIT #

PRINTED NAME

CURRENT CONTACT

INFO & EMAILS

410 Teal	Rebecca Paschal	rebeccapaschal@alpinebank.com
325 Teal	Justin Barrow	justin.sandys@gol.com
323 FS	Michelle Botica	michelle.ca@jeff.wmsu.com
227 TEAL	JAN MARQUIS	caltic soul 52@yahoo.com
421 Freesilver	Debbi Kirkwood	debbik@ci.aspen.co.us
422 TEAL CT	GREG STEWART	greg.stewart54@yahoo.com
217 Teal CT	Ted MacBlane	tedwardmac@hotmail.com
222 FS	SUSAN BARBOUR	SBARBOUR@Sopriss.net
316	MIKE FORDE + YVONNE HERNANDEZ	Emily 2 cat@comcast.NET
319 Teal	Jason Closie	jasonclosie@gmail.com
226 Teal	Wesley Reynolds	
424 FS	Amy Norris	
129 FS	John B. Armstrong	john.armstrong@co.pitkin.co.us
317 FS	KAREN SILVERMAN	KSILVERMAN@COLORADO.MN.FBL
310 FS	Robin Daniele	rkdaniele@gmail
323 TEAL	DAVID STAHL	
315 Teal CT	Julia S. Forseille	julie@ski.com

UNIT #	PRINTED NAME	CURRENT CONTACT
		INFO & EMAILS

kevinadriscoll@hotmail.com

Amey @ Stu. Com

Andrea Karbon

Kim Bracher

JOHN KENNEDY

ASPEN WINDOW CLEANING CO. CORP. CASE
N.Y.

Carol Pasternak

carol@ski.com

Ed Cross

HOA ASSOCIATION SIGN IN SHEET

UNIT #

PRINTED NAME

CURRENT CONTACT

INFO & EMAILS

[illegible]

**CENTENNIAL OWNERS ASSOCIATION
BOARD MEETING MINUTES**

September 29, 2009

1. CALL TO ORDER: Ivan Perrin called the meeting to order.

2. ROLL CALL:

Board Members:

Ed Cross
Andrea Karson
Kim Bracher
Judy Norman
Chris Hansen
Charles Matthews
Carol Pasternak
Ed Cross
John Kennedy

Membership:

Michelle Botice
Teresa Salvadore
John Armstrong
Dave Stahl
Alison Danforth
David Gibson
Jeff Spiroff
Susan Barbour
Mary Barbour
Barbara Frank
Allen Roberts
Jason Closic
John Hufker

3. Approval of Minutes: The minutes from the September 9, 2009 minutes were approved with one exception. The wording "the HOA had indications that there may have been problems behind the siding from maintenance done on the Teal Ct. buildings," will be changed. "A repair in process at Teal Ct. revealed that water had penetrated underneath the area where Chris Hansen's deck was built." The recording of the minutes was suggested, and tabled for further discussion later.

4. **Eric Pekkala's Petition:** Eric Pekkala read from the Centennial By-Laws regarding a Board member's removal (Section 3.05.), however, according to HOA attorney Fred Pierce, this procedure must be performed "at any regular or special meeting duly called...", therefore Eric's petition could not be presented at this meeting. With proper noticing, this petition may be heard at the annual homeowner's meeting.
5. **Old Business:** Travis Beard of FCP and Lance Sigley of Kauri Construction gave a summation of the repairs to date at the #300 Freesilver building (see attached summary).
6. **Letter from Construction Committee:** John Armstrong read a letter from the Centennial Construction Committee (see attached). After discussion of flashing work being done before this winter, Ed Cross made a motion to approve \$20,000 to achieve repairs recommended by the Construction Committee in a timely manner. These repairs are to be approved by the engineer (August Hasz at REG, INC.), and the architect (Seth at Z-Group Architects), so that any repairs made to flashing now will not have to be redone in the future. This motion was approved 9-0.
7. **Adjournment:** Meeting was adjourned. The Next meeting date is set for October 27th, 2009 at 6:30 p.m. in the Aspen Library.

SUMMARY OF #300 BUILDING FREESILVER CT. REPAIRS & MOLD INVESTIGATIONS

Summary of discovered leaks and subsequent repairs:

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The mold testing to be done in the attics will indicate what levels and types of mold are present there, and whether or not this mold is able to travel into the living spaces beneath. The testing done in the units will indicate types and levels of mold in the living spaces. Core samples are also going to be taken from areas of the exterior walls of #300 FS building, specific areas to be chosen by the contractor doing the repairs. These samples will give an idea of the level of moisture damage likely to be found in other areas of the complex. The engineers, the City of Aspen building

department, and the architects involved all have indicated that using the #300 FS building as a cost template for the rest of the Association's buildings is the best approach for the potential repairs needed in the future.

This is a general summary of events. The greatest challenge encountered in both the living area of unit 314, and the exterior wall repairs has been locating a suitable place to stop the demolition process and begin repairs. Unit 314 had to be gutted, and the exterior walls had such significant structural damage that the City of Aspen's building department had to be brought in to recommend how they should be repaired. Any delays in this process have been a direct result of the number of parties involved, and the inherent complexity of the repairs themselves. The presiding directive is to get the exterior walls repaired sufficiently for the coming winter, and to re-examine these issues next spring/summer.

At this time the Centennial Home Owner's Construction Committee (HOACC) would like to address issues which have transpired since the inception of the Construction Committee.

In May 2009 the Construction Committee reported that there were problems with water infiltrating the exterior of many sections of the buildings. This is due to the poorly installed roof flashing and the lack of flashing on many details. The Construction Committee reported that some of the exposures might even have water damage that may have compromised the structural integrity of the framing.

Eric Pekkala noted that the the sill flashing on his building was actually channeling water toward the building. Eric recommended that a contractor be pursued to begin mitigation of the flashing problems. Eric contacted a reputed metal flashing contractor to get bids so the HOA Board could have an estimate to work with. No work was pursued.

The Construction Committee recommended repair of the many south facing decks/stairs which had been removed in the summer of 2008. Eric also got bids for this work in May. No work has been started on this repair project.

In June of 2009 Engineer Steve Pheighal was retained to assess and prescribe a plan for the mitigation of the ice dam on 200 building. Centennial is also left with an ice and snowfall hazard due to the removal of the roof between 100 and 200 buildings. Pheighal's report was received in June and no work has been done on this problem.

The focus of the Boards energy has been in the pursuit of the Special Taxing District in order to obtain funding for energy efficient upgrades, green technology and building repair. It is unknown if there is owner/resident support for this district. In the meantime there has been no repair or maintenance done on the buildings.

Mayor Ireland attended a recent Board Meeting and stated that money for Centennial building repairs could not come from a Special Taxing District.

With the present economy Aspen has seen a construction climate where hungry contractors are competing for jobs. It is a buyer's market. The last two summers the Centennial Rental units have methodically repaired exposures that they have prioritized for reconstruction. Our HOA has \$200,000 in our reserve fund but repair and maintenance on our building seems to be stalemated due to speculation on the Taxing District.

At the July Board Meeting the Board approved contracting Resource Engineering Group because they had done the Green Energy Audit for the City of Aspen. Shortly after this the extensive water damage to unit 314 due to a leaking sewer pipe and inadequate flashing was discovered. Notably the completely rotted sill plate was discovered in Unit 314, Pekkala's building.

At the July Meeting Construction Committee member John Armstrong asked the Board to specify that REG be required to perform a comprehensive inspection of all exposures and not base their report on the most obvious and serious problems of the 300 Building. Armstrong specifically stated that siding would have to be removed to inspect exposures to get an objective assessment of the buildings. The Board said they would demand this of REG.

Resource Engineering Group (REG) had the benefit of viewing Unit 314 with the siding and sheathing stripped off of it and the interior walls and framing exposed. REG also had the benefit of the Construction Committee reports and Bert Psybilski's

observations of buckling siding, rusted nails and other obvious signs of damage. In their report, REG has recommended to "remove all roofing material to allow for proper flashing detailing" and "remove siding on all units for inspection". REG has reported "poor design and installation of flashing" and to repair the flashing "Details will need to be provided by the architect or waterproofing specialist".

REG's report states that their "scope of work" is to investigate structural issues and how required repairs may be included in plans for energy upgrades. After speaking with the on site contractor and touring all buildings in the Centennial complex REG said "This leads us to believe that the conditions found at Unit 314 will likely be found in most of the other buildings and units." REG reports that the "units 314 and 316 provide an average cost per square foot number" that can be used for repair of the rest of the units in the complex.

On site, John Armstrong reminded REG that to base an evaluation of the complex on the findings of Units 314 and 316 is not a comprehensive view of the complex.

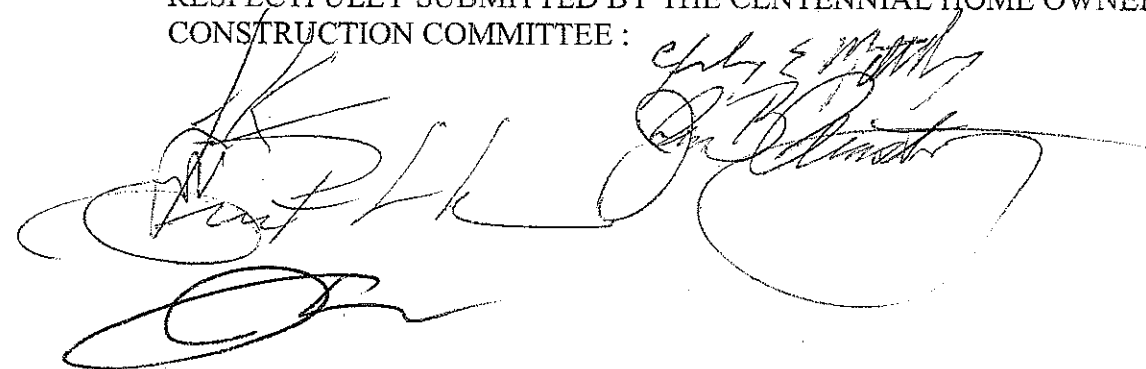
In their report to the Board REG stated that they did not want to disturb the buildings that appeared to be in good shape by removing any siding. Therefore they are willing to submit their report on a "Blind Evaluation".

As part of Phase 1 of their contract REG promised to make a recommendation of work that would be a priority to do before winter of 2009-2010. On a phone consultation at the Board Meeting of August 2009 REG recommended doing nothing this Fall. REG's August Hasz said that he didn't think the buildings were going "to fall down this winter" but Hasz quickly recanted and said that "of course anything is possible" and that he couldn't guarantee that the buildings wouldn't fall down but that it would be unlikely.

The Construction Committee recommends that the contract with REG be terminated immediately. The Construction Committee reminds the Board that HOA bylaws require constant maintenance and repair of the property. The Construction Committee recommends that a comprehensive maintenance schedule be developed and recorded between the Property Management and the Board. Flashing repair and installation should begin as soon as possible.

The Construction Committee also recommends that all "green energy technology" investigation and pursuit of a Special Taxing District be tabled with the exception of energy efficient window replacement until building repair and maintenance can be accomplished.

RESPECTFULLY SUBMITTED BY THE CENTENNIAL HOME OWNERS
CONSTRUCTION COMMITTEE:



John Kennedy
John Armstrong
Eric PeKKAia

John Haszger
Charlie Matthews