

**ONE BRECKENRIDGE PLACE CONDOMINIUM ASSOCIATION
ANNUAL OWNERS MEETING
Park Avenue Lofts conference room, 500 S. Park Ave.
September 8, 2012**

I. Call the Meeting to Order

The One Breckenridge Place Condominium Association Annual Owners Meeting was called to order at 10:30 a.m. on September 8, 2012.

Board Member Present Was:

Larry Pithan, Vice President, unit #12 Dennis Kinney, Sec./Treasurer, unit #17

Owners Present Were:

Rick Brown, unit #1 Brian and Kasi Southard, unit #26
Lewis and Mary Ann Stock, unit #27

Proxies were received from: 2, 3, 4, 5, 7, 8, 9, 10, 13, 14, 15, 16, 19, 20, 21, 22, 23, 24, 23, 28, 29, 30, 32, 33, 34, 37, 39,

Representing Great Western Lodging were Keith Kroepler, Jackie Gottschalk and Brian Juchno. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. Verification of Notice and Establishment of Quorum

Notice of the meeting was sent August 10, 2012. With 27 proxies received and five units represented in person, a quorum was confirmed.

III. Approval of Previous Meeting Minutes

Dennis Kinney made a motion to approve the September 10, 2011, Annual Owners Meeting minutes as presented. Rick Brown seconded and the motion carried unanimously.

IV. Financial Review

A. *Profit and Loss for 2011/2012 Year-to-Date*

As of July 31, 2012, the Association was operating \$7,174 favorable to budget. Keith Kroepler reviewed the significant variances to budget:

1. Legal Fees - \$1,753 over budget due to legal fees for Unit 15.
2. Maintenance and Repairs General - \$4,178 over budget due to the \$5,000 insurance deductible for the leak in Unit 39.

3. Pool Use Fee - \$539 over budget. The fee was increased after the budget was finalized.
4. Water - \$874 over budget due to a rate increase.
5. Sewer - \$772 over budget due to a rate increase.

B. 2012/2013 Budget Overview

With two more months in the fiscal year, the Association is projected to end the fiscal year with a loss of \$480. Keith Kroepler said there were some minor increases to the 2012/2013 Budget, including a 5% increase for Insurance. This will result in a \$50/quarter dues increase.

Brian Southard made a motion to approve the 2011/2012 Budget as presented. Dennis Kinney seconded and the motion carried.

C. Reserve Budget Overview

The Reserve Budget indicates that the Association will carry a positive balance in the Reserve Fund through 2023. Some projects originally scheduled in 2013 and 2014 were completed this year, including stucco repair and siding painting. The 2012 year-end balance is projected to be \$98,418. The next large project scheduled is siding painting and replacement as needed for \$70,026. An asphalt overlay is scheduled in 2015 for \$81,965, but this project can probably be deferred through ongoing preventative maintenance.

Owners can schedule boiler inspections by contacting Jackie Gottschalk. Owners were also encouraged to have their fireplaces inspected. Owners who rent are required by law to have carbon monoxide detectors. The batteries in all detectors are replaced annually in rental units managed by Great Western Lodging.

The roofs will be inspected and any needed repairs will be made prior to winter.

Owners who do not rent or rent with another management company were reminded to shut off their hose bibs before winter. Great Western will take care of this in units under their rental management.

VI. Property Manager's Report

A. 2011/2012 Completed Projects

1. Some areas of siding were painted.
2. Repairs were made to the concrete.
3. Repairs were made to the stucco.

B. 2012/2013 Pending Projects

1. Maintenance will continue on exterior paint.

The Great Western staff was thanked for their efforts at the property.

VII. Old Business

A. *Delinquent Unit*

The Association received information about the options for addressing the owner delinquency from the attorney yesterday. The first mortgage is \$470,000, the second is \$722,000 and the third is \$918,000. The unit is no longer on the market. The owner has filed for bankruptcy. The Association has received six months of dues from the superlien.

Richard Bourland has indicated that he would like to see the research that has been done by the attorney regarding proceeding with foreclosure without court approval. Richard had some concerns about the Association having to make payments if the property is foreclosed. Selling the property at below market value could impact the value of other units and future unit sales. The amount owed for dues is about \$13,000 (\$21,761 including late fees). A lien has been filed on the property. The Association is legally entitled to collect six months of dues if the unit is foreclosed and the remainder could be awarded if there are funds remaining after payment of the first mortgage.

The Association can only turn off services that it provides, i.e. water, cable and internet. Dues were paid for the month of July 2012. The Board will research the mortgages on the property and the costs for pursuing foreclosure.

VIII. New Business

A. *Insurance Deductible*

There was an Association damage claim last year and the Association had to pay the \$5,000 deductible. The Board authorized a change to the Bylaws. Going forward, the individual owner of any unit filing a claim under the Association's policy will be responsible for any deductible. Owners can include deductible coverage in their individual policies. Owners should also consider carrying loss of rent or loss of use coverage.

B. *Sales*

The current market value for One Breckenridge Place units is \$825,000 – 850,000. There have not been any sales this year. It appears that prices have stabilized.

C. *Town of Breckenridge Update*

The solar panel array that was proposed for the Riverwalk Center area was not built. There are no current plans for a new hotel in the gondola parking lot. The ski

area expansion on Peak 6 was approved. The Bergenhof will be demolished and replaced with a time-share property.

Summer business was up about 30% overall for Great Western Lodging. The USA Pro Cycling Challenge was a great success again this year and some of the local bike races are picking up in popularity. The rodeo was also a big success with standing room only the first week.

IX. Board of Directors Election

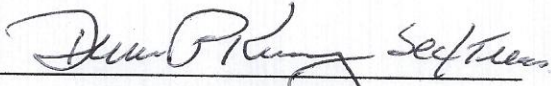
The term of Larry Pithan expired. A motion was made to nominate Larry Pithan to serve another term. The motion was seconded. There were no other nominations from the floor and nominations were closed. Larry Pithan was re-elected unanimously.

X. Set Next Meeting Date

The next Owners Meeting was set for September 7, 2013.

XI. Adjournment

Rick Brown made a motion to adjourn at 11:20 a.m. Dennis Kinney seconded and the motion carried.

Approved By:  Date: OCT 23, 2012
Board Member Approval