

**PARK AVENUE LOFTS CONDOMINIUM ASSOCIATION
ANNUAL HOME OWNERS MEETING
April 16, 2004
Breckenridge, CO**

Owners present included:

Mike Madsen (308)

Denis Franks (307)

Gordon Franks (201 & 306)

Robert Young (Commercial)

Bill Podl (210)

Dick Yankowski (202)

David Kaiser (305)

Bob Johnson (208)

Chad Christy, Keith Kroepler, Patrice Novak, Brian Juchno and Joel Blackmer also attended representing Great Western Lodging. Doug Polanski was present per proxy for Glynis Osborne (309).

I. CALL TO ORDER

Denis Franks called meeting to order at 2:09 pm on April 16, 2004.

II. STATEMENT OF MEETING NOTICE COMPLIANCE

Eight residential units and the commercial unit were represented in person and six proxies were received. A quorum was reached.

III. APPROVAL OF THE APRIL 11, 2003, ANNUAL MEETING MINUTES

Denis Franks made a motion to approve the 2003 Annual Meeting Minutes and Gordon Franks seconded the motion. All were in favor and the motion passed.

IV. FINANCIAL REPORT

Chad Christy gave the review of the financial reports.

A. Balance Sheet

1. Line Item 3550 - Reserve Fund Balance - has a balance of \$39,307.69.
2. The Due to/from Vail Resorts Line Item has been resolved. The settlement amount of \$2,750 was applied to the balance due and the \$1250 remainder has been written off.

B. Profit & Loss Budget vs. Actual as of March 31, 2004

1. Line Item 8300 - Gas and Electric is over budget; however, the usage has not increased. The cost of natural gas & electricity has increased.

C. Year to Date Profit & Loss vs. Actual (Jan. through Mar. 2004)

1. Line Item 8300 - Gas and Electric is the only concern.
2. The association is tracking ahead financially with a \$221.86 profit vs. a budgeted loss of \$3546.49.

D. Year to Date Customer Balance Summary

1. All association dues are current at this time.

E. 2004 Profit & Loss Budget Overview

1. Bill Podl asked if the Reserve Fund balance was comparable to other associations. Denis Franks verified that another \$15,199.00 is budgeted to be added to the Reserve Fund for 2004. Chad Christy stated that about 20% of the operating budget is a comfortable amount. The Reserve Fund is doing well due to the amount of savings that were made throughout 2003.
2. Bill Podl asked where the management fees are located on the budget and Chad Christy pointed out that it is in Line Item 8010.
3. Mike Madsen asked where the manager's apartment is figured into the budget. Chad Christy stated it is included in the Management Fees.

Denis Franks motioned to approve the budget and Bob Johnson seconded the motion. All were in favor and the motion was passed.

V. PROPERTY MANAGER'S REPORT

Chad Christy gave a review of the property manager's report.

A. Review of Operation of Building

1. Separation of heating system water from domestic water.
 - a. The association has a service contract with Tolin Mechanical and they have completed work to attempt to correct the hot water problem at a cost of \$2,130.00. The main focus was to separate the domestic hot water from the heating water source.
 - i. The hallways and upper floor units will now be more regulated as far as heat and hot water is concerned.
 - ii. The repair will cut down on complaints and save the association costs in the Electric and Gas.

B. Internet Connection for Each Unit

1. Chad Christy stated that it would be beneficial for the building to upgrade the cable system to include high-speed Internet access for each unit.
2. David Kaiser asked if a wireless system was possible. Chad Christy stated that wireless solutions seem to be pretty unreliable in the area at this time.
3. Initial estimates put the cost at approximately \$30 per month per unit in addition to the current cable system.
4. Denis Franks agreed that the building is a premier property and Internet access will soon be necessary.
5. Gordon Franks asked if the cable package could be upgraded as well and Chad Christy said that would be looked into.

C. Exterior Building Lighting

1. External lighting would be beneficial to the building in order to enhance the look of the building. The cost would be around \$3,000 to \$4,000 in labor plus fixtures.

D. Conference Room and Lobby Decorating

1. The completion of the conference room décor and furniture will allow the association to make more money with reservations.
2. The lobby needs some fine-tuning and an interior decorator will be hired to make those upgrades.
3. Signage will also be placed in the lobby area.

E. Vail Settlement

1. The association felt Vail Resorts owed Park Avenue Lofts for double billing of maintenance repairs. Vail Resorts was calling contractors to repair items that the association already had yearly contracts with other companies to complete the work.
2. There was about \$4,000.00 due from Vail Resorts to Park Avenue Lofts. The association received a settlement of \$2,750.00, which was applied to the balance due as previously stated in the financial reports.

F. Automatic Monthly Due Payment System

1. There is a system in place currently and a form has been included for any Homeowners who would like to sign up.

Mike Madsen suggested that the monthly dues should be decreased. When Great Western Lodging first began managing the association, there was a 10% decrease, but there has not been a decrease since. Mike suggested even a \$20 decrease per month. Mike feels the association does not need to have a Reserve Fund balance of more than the 20% standard due to the fact that the building is new.

Denis Franks mentioned that the dues at Beaver Run increase every year. He stated that the fact that the dues have not increased should be a positive aspect.

Chad Christy has not ruled out the possibility of a decrease, but feels the association is not yet in the position to decrease the dues. Chad Christy feels the association should concentrate on increasing the amenities and build the value of the property. Chad Christy also feels more information should be gathered before any decisions are made.

David Kaiser agrees that the association should concentrate on income generated from the conference room rentals, and re-evaluate after more information has been received.

Bill Podl asked if the garage key/lock system was in working order as well as the handicap access lift and Chad Christy answered that both were working fine.

Rob Young commented on the overall treatment of the building. He said the facility looked much better than it had when Discover and Vail were managing them.

Gordon Franks mentioned the green plastic chairs located on one of the decks. He wanted to know if they could be taken in each night because of how unattractive they are. Chad Christy stated that the association could use some house rules. Denis Franks suggested that a committee should be formed within the association to set up the house rules.

VII. NEW BUSINESS

Denis Franks lead the discussion

A. Great Western Management

1. Denis Franks commended Great Western Lodging and staff for how great the building looks and in resolving the Vail Resorts legal issue.

B. Board of Directors Meeting on March 30, 2004

1. During the Board of Directors meeting on March 30, 2004, the decision was made to reduce the number of board members from seven to five.

C. Review of the litigation against the Developer

1. Denis reviewed that himself, Bob Johnson, and Gordon Franks were deposed the day before this meeting, and that the situation was moving forward as the original pace that was explained last year.

D. McMahon Invoice

1. The invoice was paid via a special assessment of \$200 per unit.
2. Denis Franks mentioned if the association receives payment from the lawsuit, each homeowner would be reimbursed the amount of that assessment.

E. Special Assessments

1. All special assessments have been paid by all individuals and are current.

F. Park Avenue Lofts Web Site

1. Chad Christy mentioned there should be a separate web site for Park Avenue Lofts (as suggested by Bill Podl at last year's annual meeting).
2. The association is in the position now to concentrate on creating a web site.
3. A web site would market the building as a whole as well as the conference room and generate more revenue for the association.

G. "House Rules" Committee

1. Denis Franks nominated Gordon Franks to head the committee.
2. Gordon Franks agreed to head the committee along with Dick Yankowski.

H. No Smoking Rules

1. All rental companies (East West) need to be informed that the "no smoking" rule should be stressed to their guests.

VIII. ELECTION OF BOARD MEMBERS

Denis Franks reviewed the change of members on the board from seven to five people as decided in the BOD meeting in late March.

A. Staggering terms

1. Denis Franks made a motion to have the board member's term changed from one year to staggered terms. He motioned to have the association lawyer (Scoop Daniels) work up the cost of changing the declarations and report back to the board for approval.
2. David Kaiser and Bill Podl opposed the motion. Mike Madsen declared that in order to stagger terms, a change to the association declarations would need to take place first. It was decided to have Chad Christy review with Scoop Daniels as to the cost to perform this task. The one-year terms will stay in place.

B. Election

1. Denis Franks proposed to have the board consist of Denis Franks, Bill Podl, Rob Young, Bob Johnson and David Hale.
2. Mike Madsen nominated Gordon Franks.

3. The 2004 Board of Directors - Vote Results
 - a. Denis Franks
 - b. Gordon Franks
 - c. Bill Podl
 - d. Rob Young
 - e. Bob Johnson

IX. NEXT ANNUAL MEETING TENTATIVE DATE

It was decided to tentatively schedule the next annual meeting for April 15, 2005, and that the official notice will be delivered 60 days prior to the actual meeting.

X. ADJOURNMENT

Denis Franks made a motion to adjourn the meeting, Bob Johnson seconded the motion and all were in favor.

The meeting was adjourned at 3:18 pm