

**PARK AVENUE LOFTS HOMEOWNER ASSOCIATION  
ANNUAL MEETING  
April 16, 2010**

I. Call the Meeting to Order

The Park Avenue Lofts Association Meeting was called to order by Denis Franks at 1:06 p.m. on April 16, 2010 in the Park Avenue Lofts Conference Room.

Board Members Present Were:

Denis Franks, President, Unit 307	Bob Johnson, Unit 208
Rob Young, Commercial Representative	

Owners Present Were:

Mona Davis, Unit 205	Scott and Christy Heath, Unit 301
Steve Cox, Unit 303	Karl Van Hook, Unit 305

Proxies were received from:

Larry & Ragina Flaherty, 201	Rocky Sorrell, Unit 202
Deborah & Anthony Fransway, Unit 203	Pamela & Fred Gates, Unit 204
Donald Ksiazek, Unit 207	Gary & Mary Bare, Unit 210
Jeffrey & Helenann Shapiro, Unit 302	David Hale, Unit 304
Gordon & Sheila Franks, Unit 306	Christine Dudiak/Steve Davis, Unit 308
Robert & Janet Schroeder, Unit 309.	

Representing Great Western Lodging were Chad Christy, Keith Kroepler, Jackie Gottschalk, Jeb Milne, Jeff Cospolich and Brian Juchno. Erika Krainz of Summit Management Resources was recording secretary.

II. Roll Call and Proxies

With seven units represented in person and eleven proxies received a quorum was reached.

III. Verification of Notice

Notice of the meeting was sent in accordance with the Bylaws.

IV. Review and Approval of Previous Meeting Minutes

Denis Franks made a motion to approve the April 17, 2009 Annual Meeting minutes as presented. Bob Johnson seconded and the motion carried.

V. Financial Report

A. *Year-to-Date Financials*

The February 28, 2010 Balance Sheet reflected the following account balances:

1. Reserves - \$167,946. There were no expenses in the past year.
2. A/R – (\$9,355) credit balance. One owner paid dues in advance.
3. A/P – \$468.

As of February 28, 2010 the Association was operating with a net loss of \$5,666. Maintenance and Repairs was \$1,335 over budget due to purchase of a ballast, a sewer backup and replacement of a garage door motor. Maintenance and Repairs/Elevator was over budget due to a \$600 repair to the handicapped lift.

There was a \$33,615 operating surplus in 2009. Some items scheduled in the Reserves were paid out of Operating including the new hot tub.

B. *2010 Budget Overview*

There were no significant changes to the 2010 Budget as compared to the 2009 Budget and there was no dues increase for 2010. Denis Franks said the management fee increased 10% to \$2,670. It had not been increased in four years. The manual management of the driveway snowmelt system is reflected in the utilities cost.

Denis Franks made a motion to approve the 2010 Proposed Budget as presented. Steve Cox seconded and the motion carried.

C. *A/R Past Due*

The owner of Unit 209 has been delinquent several times and is now four months delinquent. The unit is for sale but will not be shown or rented until the deficiency is cured. Management will approach the owner about signing an agreement to rent the unit and assign the income to the Association to offset the amount owed.

VI. Property Manager's Report

A. *2009/2010 Completed Projects*

1. Driveway – Tolin identified the source of the coolant leaks in the headers next to the building and made repairs. They installed a different sensor to replace a failed one. The system is being shut down manually when there is no snowfall.
2. Virginia Graeme Baker Act – The common area hot tub was out of compliance. It was less expensive to purchase a new one than to make repairs. The new equipment is in compliance.
3. Garage Doors – Upgraded both garage door openers because both failed over the winter a couple of different times.
4. Gutter Repair – Diverted the water that was flowing onto the hot tub decks.

B. *2010 Upcoming Projects*

1. Concrete - patch and fill the cracks in the driveway to prolong the life.
2. Exterior painting – will try to postpone painting one more season.

3. Replace Ullr on the rock.
4. Lights in Stairwells – the fixtures are ten years old. The ballasts need to be replaced but it will be less expense to replace the fixtures.

## VII. President's Comments

Denis Franks said this Association had done better in the past year than most other. Net income is down less than 1% and the rentals outperformed the rest of the Great Western Lodging inventory. The ADR was down 9% due to overall pressure in the industry. Revenue was up 12% compared to last year and there were 22% more room nights for the same period. The average length of stay increased from 4.6 to just under 5 nights. There continues to be good press for the property and two town-wide meetings were hosted in the conference room. User generated content (online reviews of stays) has become very important; there is increasing reliance on user recommendations instead of advertising. Trip Advisor is an online leader for trip reviews and Park Avenue Lofts is the #2 most popular location in Breckenridge. About 1/3 of the business is returning guests.

Denis Franks said Jeb Milne had gone above and beyond his responsibilities. He was awarded a gift card in recognition of his work on the Association's behalf.

Accomplishments over the past year include building up the Reserve Fund with no major projects pending and installation of a new hot tub with a savings of 10% by purchasing a floor model. On the down side, the real estate market is depressed. Chad Christy noted that local banks are still willing to lend on the property. There is quite a bit of unsold new inventory in Breckenridge. Grand Lodge has not yet started the second phase of timeshares. Vail Resorts wants to expand on Peak 6 but there has been some negative community feedback. The gondola will be running this summer and there are plans for a new elevated roller coaster that will be lit and will also run in winter.

## VIII. Old Business

- A. *PL 205 Carpet*  
The carpet was replaced in PL 205 and this issue has been resolved.
- B. *Garage Sweeper*  
A sweeper was purchased to keep up with the magnesium chloride.

## IX. New Business

- A. *Deck Furniture Standardization*  
There have been complaints about the appearance and condition of some of the deck furniture and the Board considered standardization. Owners were encouraged to keep their furniture upgraded. Mona Davis suggested providing options for owners instead of requiring a specific type of furniture. Management will provide options for the Board. It may be possible to purchase in bulk and receive a discount.

B. *Fire Doors*

Denis Franks said the Board discussed this issue this morning. The fire doors are inspected annually and have to close automatically for fire code compliance. It may be possible to slow down the rate of closure but they make noise. The Board will research alternatives such as addition of foam weather stripping on the frame. The door weight will be checked to make sure it is appropriate for the mechanism.

C. *Agenda and Annual Meeting Date*

Bob Johnson said over the ten years building has been in existence there has been good camaraderie among the owners. Working as a group they were able to avert a six figure assessment about five years ago. There has not been a need for formalized agendas for the Annual Meetings.

The Annual Meeting has usually been scheduled on the last weekend of the ski season to avoid impact on rentals. It has been held on Fridays because there have historically been numerous other Association meetings this weekend and some owners owned units in different buildings and had schedule conflicts.

D. *Insurance*

Steve Cox said he was still concerned about the unit contents coverage, mainly regarding the potential of one owner suing if their loss exceeded the coverage. Denis Franks said the policy cost was reduced about \$20/unit by eliminating the endorsement for jewelry and furs. Bob Johnson said owners could opt for additional coverage under their overall umbrella policy. Keith Kroepler said he could schedule a conference call with Randy Johnson and interested owners to discuss the coverage.

X. Election of Directors

Denis Franks made a motion to reelect the incumbents. There were no nominations from the floor. The motion was seconded and carried.

XI. Set Next Meeting Date

The next Annual Meeting was set for Friday, April 15, 2011, which is one week earlier than usual to avoid a conflict with Good Friday.

XII. Adjournment

A motion was made to adjourn at 2:33 p.m. The motion was seconded and carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Board Member Approval