

SAWMILL CREEK CONDOMINIUM ASSOCIATION
ANNUAL HOME OWNERS MEETING
June 26, 2004
Breckenridge, CO

Owners present included:

Paul and Jim Peterson	102	Molly and Dick Logsdon	210
Gary and Shirley Wigglesworth	102	Larry Pithan	212
Edward Rogers	115	Ree and Jack Goth	403
Scott Benson	204	Orville Cook	404
Kathy and Richard Peat	207	Gene Pipkin	406

Chad Christy, Keith Kroepler, Jeb Milne and Brian Juchno also attended representing Great Western Lodging.

I. CALL TO ORDER

The meeting was called to order on June 26, 2004, at 10:00 a.m.

II. ROLL CALL AND PROXIES

Nine units were represented in person and twenty-three proxies were received. As mandated in by-laws a majority was represented and a quorum was reached.

III. APPROVAL OF MINUTES FROM JUNE 28, 2003, ANNUAL MEETING

Larry Pithan recapped the 2003 Meeting Minutes, 2003 Financial Report and projects completed. A motion was made to accept the 2003 Meeting Minutes, the motion was seconded and all were in favor.

IV. FINANCIAL REPORT

The financial report was presented by Chad and is as follows.

A. Year End 2003

1. Net Income of \$19,964.26 was transferred into the Reserve Fund at the end of 2003.
2. Line Item 8345 – Electric; costs have continued to rise.
3. Line Item 8025 – Insurance; shows a considerable savings.

B. 2004 Budget Overview

1. Line Item 8025 – Insurance; the Board approved to have the association purchase a flood insurance policy for the entire building due to the problems owners were having with lenders and the cost of individual flood insurance. That policy has been included in the budget.

C. 2004 Budget vs. Actual 1/1/04 - 5/31/04

1. A \$9,485.06 Net Income so far for this year, the association was budgeted at (\$4,083.62). Some of the projects to be completed this summer will most likely use up some of the difference.
2. Line Item 8100 - Repairs and Maintenance; the pond didn't flood and freeze this past winter, which allowed a \$3000.00 savings for the association.

D. Balance Sheet as of 5/31/04

1. Line Item 1025 - Reserve Account; shows a balance of \$120,223.85.

2. Line Item 1200 - Accounts Receivable; has a credit balance due to some owners paying association dues 6 months to 1 year in advance.

A motion was made to accept the financial report, Karen Svetlic seconded the motion, all were in favor and the motion was passed.

V. PROPERTY MANAGER'S REPORT

A. 2003/2004 Projects Completed

1. Many of the projects are ongoing such as touch up painting, touch up stucco repair, landscaping, etc.

B. Recent Real Estate Sales

1. Keith had a spreadsheet put together to show some of the real estate sales. Keith has a good working relationship with many realtors in town.
2. Great Western Lodging will provide real estate information for anyone who is interested.

C. Pending Projects

1. Pond Dredging:
 - a. There is only one area in Summit County that can accept the material that will be removed, so the dredging of the pond has become a much more complicated project.
 - b. The association is moving ahead with this project. There is currently a contractor in place and the work is scheduled for this fall.
2. Bridge Rebuilding:
 - a. This winter a cross section of the bridge rusted, about the size of a basketball that had disintegrated.
 - b. Brian has been working with an engineer firm out of Denver to receive estimates and suggestions for repair; we are currently waiting for those reports.
 - c. The project will hopefully be completed in September as access to the building will be blocked while the repair is taking place.
3. Elevator Replacement:
 - a. The elevator needs to be replaced due to the weather and the sun breaking down the door elements. The elevator is 22 years old and it is time to replace it.
 - b. Everything is working fine at this time, but the replacement needs to take place prior to it breaking down during a crucial time.
 - c. The estimated cost for the entire elevator replacement is about \$44,000.00.
4. Concrete Stair Replacement:
 - a. Two sets of concrete stairs need to be replaced: the north corner by Park Ave. and the south corner by the dredge area.
 - b. Concrete is hard to maintain in this environment.
5. Exterior Pathway Lighting:
 - a. The parts cannot be found anymore and GWL is researching replacement options.

Larry Pithan mentioned that the bridge repair and elevator replacement are crucial.

Gene Pipkin stated that he was happy that Great Western Lodging removed the phone system from the rental units.

VI. NEW BUSINESS

A. Exterior Renovation

1. Sawmill Creek is now 23 years old and the building is in need of major repairs or renovation.
2. Arapahoe Architects put together a few designs for examples of what may be done to Sawmill Creek. The sketches are only ideas to give suggestions to the association.
3. At this point Sawmill Creek is one of the most dated buildings in town and in order to remain competitive, major renovation is needed.
4. A rough estimate of repairing the building to its original state is about \$1-1.4 million with no changes to the exterior.
5. Mechanically, there are many repairs that need to be made and the association needs to consider whether it would be more cost effective to change the current mechanics rather than repair the way it currently is.
6. Once renovation begins, it would give the association the opportunity to correctly repair/upgrade the electrical work as well as the bridge, pond, common areas, windows, doors and many other projects that need to be done.
7. The Board is open to input from the owners. Please look at the sketches and add any suggestions you may have.
8. The assessment at Pine Ridge for their complete exterior renovation was \$30,000.00 per unit in 1999-2000.
9. In the Sawmill Creek Declarations and By-Laws, special assessments need to have a majority of the owners vote, 51%.
10. The owners also need to consider upgrading the interior of their units to increase property value. A positive side to renovating the exterior, the new owners who purchase in the future will be more apt to upgrade the interior of their units.
11. The Town of Breckenridge has a very strict planning department and they will have a large say in what materials can and cannot be used with the renovation of the complex.

A motion was made to have the Board of Directors get a better plan and idea of cost, put together the information and present it to the owners at a later date. The motion was seconded, all were in favor and the motion passed.

B. Insurance

1. Flood insurance was purchased for the entire building by the association. Larry Pithan advised all homeowners who currently have flood insurance on their individual homeowner policies to cancel their policies.
2. Scott Benson stated that completing improvements will cut the insurance costs immensely (i.e., elevator replacement, pond dredging, etc.)

VII. ELECTION OF BOARD MEMBERS

A. Two Positions Up For Re-Election

1. Jack Goth (last election date: 2002)
2. Karen Svetlic (took over Hank Coll's position, last election date: 2002)

B. Nominations From the Floor

1. No other nominees from the floor

2. Jack Goth and Karen Svetlic have been voted to continue to serve on the board for additional 3-year terms. Their terms will be up in 2007.

Larry Pithan motioned to close the nominations, the motion was seconded, all were in favor and the motion passed.

GENERAL DISCUSSION

Kathy Peat asked Chad Christy how the Expedia and Condosavers venture with Great Western Lodging was progressing. Chad Christy answered that Great Western Lodging is happy with the results and is also excited about working more closely with United Vacations as they have announced that they will no longer be working with Resort Quest. Kathy Peat asked what the percentage is between the wholesale/on-line bookings and direct booking. Chad Christy answered the direct bookings are at about 52%.

Chad Christy commented that each of Great Western Lodging's "featured" properties, such as Sawmill Creek now have URL's set up in order to offer more information and additional marketing for Sawmill Creek as a whole.

It was commented that Great Western Lodging has very good positioning with AOL, Google, MSN and Yahoo, which account for over 90% of all domestic searches.

To the south of the Snowflake Chairlift, there is a 60 unit project that is in the planning process.

The ski market has become increasingly competitive. With the 25% increase in properties, it is important to concentrate on continuing to be competitive.

The "Victorian Look" sketch is the least popular this far. The "Log Look" and the "Mining Look" seem to be more favorable. It was agreed that opening up the balconies will be a big plus.

The stone that is currently on the building is beginning to loosen up and will soon fall. Larry Pithan would like the association to keep that in mind as far as cost to remove/repair and to install. The stone is not reusable and Brian stated the style and color that is currently there is no longer available as far as repair is concerned.

VIII. NEXT MEETING DATE

Saturday, June 23, 2005 is the tentative meeting date for 2005

X. ADJOURNMENT

The meeting was adjourned at 11:30 am.