

**SAWMILL CREEK CONDOMINIUM ASSOCIATION
ANNUAL HOME OWNERS MEETING
June 24, 2006
Breckenridge, CO**

Owners present included:

Fiona and Nim Halfon	101	Pam and Larry Pithan	212
Brian Erley	112	Phil and Lee Ann Henbest	301
John and Monika Jasiak (for Mike Jasiak)	116	Mike and Karen Svetlic	302
Scott Benson	204	Thom and Becky Stalcup	316
Bob and Joyce Christianson	208	Jack Goth	403
Molly Logsdon and Bob and Terri Lewis	210	Orville and Mary Cook	404

Chad Christy, Keith Kroepler, and Brian Juchno also attended representing Great Western Lodging, the managing agent.

I. CALL TO ORDER

Larry Pithan called the meeting to order on June 24, 2006, at 12:45 p.m.

II. ROLL CALL AND PROXIES

Twelve units were represented in person and twenty-six proxies were received. As mandated in the by-laws, a majority was represented and a quorum was reached.

III. NOTIFICATION OF MEETING NOTICE

The notice was provided in accordance with the By Laws. A copy was provided in the meeting packet.

IV. APPROVAL OF MINUTES FROM JUNE 25, 2005, ANNUAL MEETING

Jack Goth motioned to accept the 2005 Meeting Minutes, Larry Pithan seconded the motion, all were in favor and the motion was passed.

V. FINANCIAL REPORT

The financial report was presented by Keith Kroepler

A. Profit and Loss Budget vs. Actual – January through December 2005

1. The Net Income \$14,374.80 profit, was transferred to the reserve account
2. Line item 8000 – Legal Fees, there were no charges.
3. Line Item 8025 – Insurance, flood insurance had been included in the 2006 budget and was not required.
4. Line Item 8100 – Repairs and Maintenance, repairs were kept to a minimum last year with the anticipation of the exterior remodel. \$6,662.68 under budget.
5. Line Item 8110 – Landscaping, also kept to a minimum with anticipation of the remodel. \$1,122.38 under budget.
6. Line item's 8120 and 8125 – Pool Mechanical Repairs and Supplies/Chemicals, over budget due to unforeseen repairs needed to the hot tubs. \$1,761.40 over budget.
7. Line Item 8345 – Electric, over budget due to cost increases. \$3,791.88 over budget.

B. Profit and Loss Budget Overview – January through December 2006

1. Line Item 8025 – Insurance, was lowered by carrier
2. Line Item 8100 – Repairs and Maintenance, should be decreased this next year due to all the renovations.

C. 2005 Budget vs. Actual 1/1/06 – 5/31/06

1. Line Item 8025 – Insurance, savings. \$1,017.20 under budget.
2. Line Item 8350 – Cable, a refund check was received by the cable company due to the company turning a profit. \$2,376.94 under budget.
3. Technical support was added to the internet service in 2006.

**Mike Svetlic motioned to increase the number of cable channels, Thom Stalcup seconded the motion, all were in favor, the motion was passed. It was agreed to mail each owner a channel request input form for suggestions from owners prior to choosing the new channels.*

D. Balance Sheet as of May 31, 2006

1. Line Item 1025 – Reserve Fund, balance of \$1,866,300.15, includes the Special Assessment Reserve amount as well as the actual reserve fund balance.
2. Line Item 3550 – Replacement Fund Balance, has a balance of \$198,118.84, which increases monthly by \$4,198.33.
3. Reserve Fund Statement
 - a. The last column, \$141,569.49, was the beginning balance as of 12/31/05.
 - b. \$20,991.65 has been added to the reserves between 1/1/06 – 5/31/06
 - c. \$1,872,500.00 is the total amount due to the association for the special assessment. \$173,300.00 had not been paid as of 5/31/06. Additional payments have been received since 5/31/06.
 - i. At the time of a sale of a unit, any assessments/dues that are in arrears, must be paid at closing.
 - ii. 1.8% will be (has been) charged to all owners who have not paid the total assessment, and statements have been sent out to the owners who have not yet paid in full.
 - d. \$720.00 was added to the reserve due to sale of units.
 - e. \$14,374.80 was transferred to the reserve fund due to the net profit of 2005.
 - f. \$20,462.90 has been collected in interest.
 - g. \$31,318.69 has been paid out for the exterior renovation as of 5/31/06.

**Karen Svetlic motioned to accept the Financial Report, Brian Erley seconded the motion, all were in favor and the motion was passed.*

VI. PROPERTY MANAGER'S REPORT

The property manager's report was presented by Chad Christy. Due to the exterior renovation, Chad updated the meeting group on the town and traffic improvements.

A. 2005/2006 Projects Completed

1. There was a new lift added for the 2005/2006 season.

2. The gondola has been approved and will be completed sometime in February 2007.
 - a. Most likely the gondola parking lot will become a pay lot.
 - b. Riverwalk will be extended all the way to the lots to help direct foot traffic to town and Main Street.
3. Peak 7 will be developed as an additional base with lodging units.
4. The town has been repaving roads, re-routing Main Street and Park Avenue, and re-vamping the stop lights at the north and south ends of town.
 - a. The roundabout on the north end will defer southbound traffic from Main Street to Park Avenue with an increase in traffic lanes.
 - i. This will help control parking on Main Street. This will be accomplished by widening the sidewalks and creating diagonal parking on Main Street.
5. 2006/2006 was the best snow year in 17 years.
6. The real estate market is very heated; it is again a seller's market.
7. 2006/2007 is anticipated to be a big year.
 - a. Sawmill Creek will benefit because of its renovation & location, and due to the large square footage of the units.
8. Brian Juchno is working very closely with Travis Construction and everything seems to be going very well and tracking on time.
9. The remodel page on the website (<http://www.gwlodging.com/sawmill.cfm>) has been up and running, with over 240 page views to date.
10. Brian Erley mentioned the window contractor would like to send warranties to the owners; Chad suggested the records be kept with the HOA records.

B. 2006 Projects to be Completed

1. Landscaping
 - a. If the renovation project is completed ahead of time, the landscaping could be started in the fall. Chad advises to wait until spring to plant trees due to a better survival rate.
 - b. A new sprinkler system will be installed next year; at this time the system is manual.
 - c. Chad would like to see the property hydro-seeded in the spring.
 - d. If time permits in the fall, the parking lot is need of resurfacing.

VI. NEW BUSINESS

Larry Pithan presented New Business

A. Exterior Renovation

1. Status of renovation project
 - a. \$15,000.00 of tools were stolen from the job site in the middle of June. The front gate chain was cut; the tools were stored in a locked storage area. The lock was cut on that as well. The siding contractors were the ones who lost the equipment. This is not an expense to Sawmill Creek. Travis Construction may now appoint an all night watch person for security reasons.
 - b. Demolition is almost 100% complete.
 - c. Siding is about 40% complete.
 - i. Horizontal siding is natural wood, the stone is natural, and the remainder is man-made.
 - d. The stone is turning out very well.

- i. It was decided to change the grout to a buff color as it matches better.
 - e. Entrance doors will be fiberglass, but they look like wood, and are very nice.
 - f. Windows are about 100% complete with the exception of late additions.
 - i. The interior size of the windows may vary a little. There will be wood casings on the inside. The window sizes were ordered as close to the old sizes as possible.
 - ii. Owners may need to consider new window treatments to fit the new windows.
 - g. Lights have been added to the entryways and removed from the exterior of the bedrooms. There will be new fixtures added to the decks.
 - h. Walkway railings will really be a nice change to the appearance of the building.
 - i. Railings will be low maintenance and spindles will be aluminum also to cut down on maintenance.
- 2. Update on budget and change orders
 - a. Once the decks were removed, it was discovered 3 feet of concrete on some of the decks needed to be cut out and re-poured.
 - b. Additional blocking has been added to reinforce some of the railings.
 - c. Some of the sheeting on the outside walls will need to be replaced where damaged.
 - d. Trash removal may be a possible savings.
 - e. There has been about \$45,000.00 in change orders.
 - f. The unit numbers to the units will be placed somewhere other than on the doors. The exterior Sawmill Creek signs will be moved and an additional one will be added above the parking area. The door handles will be a lever handle and it will be brushed nickel.
 - g. The parking garage ceilings and walls will be repaired.
 - h. The entire elevator will be replaced.
 - i. Sawmill Creek will retain 10% of every invoice, owners will have a time allotment after the completion to bring any punch list items to the contractor.
- 3. Renovation Budget Analysis
 - a. See enclosed sheet from Larry Pithan.
 - b. Larry mentioned Brian Juchno has done an excellent job supervising the project. Brian Erley has also been a great help.
 - c. The reserve account will most likely need to be used to cover the additional costs.
 - d. The HOA has saved about \$18,478.00 on the project at this point.
 - e. Larry Pithan reviews/approves every pay request prior to an invoice getting paid. \$690,784.24 has been spent so far.
- 4. Discussion of possible scope changes
 - a. Additional stone veneer as you enter the garage area to the elevator. This addition is estimated at about \$20,000.00.
 - b. Revise the exhaust "doghouse" at garage, minimal cost.

- c. Reduce front entrance canopy due to conflict with the trash enclosure. This change may be a savings.
- d. Originally the dumpster area was going to be moved, but it has been decided to leave the dumpster where it is, which is a possible savings.

**Jack Goth motioned to authorize the renovation board to borrow/assess additional monies needed to complete the additional change orders and the extra costs that incur, Mike Svetlic seconded the motion, all were in favor and the motion was passed.*

VIII. General Discussion

- A. Fiona Halfon mentioned the BMI/NRO are having difficulties raising money for the music festival. She wanted to know if Sawmill Creek would be willing to donate money annually for the festival.
 - 1. Chad informed Fiona that Sawmill Creek usually houses the musicians for the summer at a discounted rate; however, there wasn't availability due to the renovation this year.
 - 2. Brian Erley stated this year is a difficult time to commit to donating funds. Brian suggested presenting to the owners the opportunity to donate if they would like, but not make it mandatory.
- B. Orville Cook wanted to express the association's appreciation to the building committee for all their hard work and effort.

VIII. Election of Board Members

- A. 2 Positions up for re-election
 - 1. Orville Cook (last election date: 2003)
 - 2. Brian Erley (last election date: 2003)
- B. Nominations from the floor
 - 1. No nominations or volunteers from the floor.

**Mike Svetlic moved to accept board as is by acclamation, Larry Pithan seconded the motion, all were in favor and the motion was passed.*

IX. Next Meeting Date

- A. The next meeting will be potentially set for June 30, 2007.

X. Adjournment

Meeting was adjourned at 2:15 p.m.