

Sawmill Creek Condominium Association
Annual Meeting
June 28, 2008
Breckenridge, CO

Roll Call & Proxies

In attendance

Michael Jasiak 116	Kathy & Richard Peat 207
Jack & Ree Goth 403	Larry & Pam Pithan 212
John & Kara Bachman 21	Tom Kohler 205
Rick & Pat Dame 304	Orville & Rose Mary Cook 404
Mike & Karen Svetlic 302	Anne & Steve Browning 203
Thom & Becky Stalcup 316	Bill & Bobbie Zanca 209
Scott Benson 204	Molly Logsdon 210
Kurt Krantz 103	

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

Proxies

Fiona Halfon 101	Paula Perterson 102
Randal Smith 107	Becky Jackson 110
Paul Allen 111	Brian Schmidt 114
Edward Rogers 115	Thomas Stronawski 201
Andrea Murtha 206	Robert Christianson 208
George Kiser 215	Garret Scherkenback 216
Bryanne Wallace 301	Howard Claussen 305
William Baker 306	Jeffery Aron 308
Paul Allen 309	Klauss Raschke 310
Faye Johnson 311	Kristin Wilson 314
Elizabeth O'Brien 401	Joe Friesen 405
Gary Vander Haagen 408	James McKinney 307

I. Call to Order

Larry Pithan called the meeting to order on June 28, 2008 at 1pm MST.

II. Roll call and proxies

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

III. Verification of Notice

The notice was approved in accordance with the By-laws. A copy was provided in the meeting packet.

IV. Approval of Minutes from June 30, 2007 Annual Meeting.

Jack Goth motioned to approve the 2007 meeting minutes, Tom Kohler seconded the motion, all were in favor and the motion was passed.

V. Financial Report

The financial report was presented by Keith Kroepler.

1. Profit & Loss Year End 2007

- a. At the end of 2007 the Association broke even, there was only a profit \$1,391.73.
- b. Line item 8020 - Income taxes – was over \$1059 due to paying of taxes on assessment collected.
- c. Line item 8025 - Insurance – was over \$2,100 due to an appraisal being done and additional insurance coverage was added.
- d. Line item 8360 – Trash – was \$5300 over budget because it was based on 2006 when shut down due to building remodel.

2. Balance Sheet as of 5/31/08

- a. The Reserve account has \$68,000.
- b. Capital items to be completed in 2008 are Stairs treads and Parking lot asphalt. This will leave approximately \$30,000 after all is done.
- c. Retained earnings \$12,000 is a cushion from prior years that can be used for capital expenditures.
- d. All financials are audited each month by a CPA.

3. 2008 P&L Budget vs. Actual January 1 – May 31, 2008

- a. Current YTD budget shows a possible \$9,000 deficit for year end, currently are at a \$7000 deficit.
- b. When the budget was made board said to leave at a \$4,000 deficit to see how things go.

4. 2008 Budget Overview

- a. Every year \$50,000 goes into reserve account for capital expenditures.
- b. There are 54 units each paying \$350 a month for reserve and operating.

5. Income Comparison

- a. In 2004 there was a \$19,000 profit.
- b. In 2005 there was a \$14,000 profit.
- c. In 2006 there was a \$25,000 profit.
- d. In 2007 there was only a \$1,000 profit.
- e. 2008 thus far shows a deficit of \$4000. This is due to electric going up. And also, after the remodel was complete, alarm

monitoring and inspections are now required. Administrative expense increase was due to the annual meeting's food and conference call expense. Snow removal was budgeted for \$13,000, and already we've spent \$19,000. There was a lot of snow which was not expected when the budget was made.

- f. Keith did comparison of dues with comparable condos and found that they are all \$400 a month.

6. Approval of Finance Report

Jack Goth made a motion to approve the financials, the motion was seconded by Karen Bachman, all were in favor and the motion was passed.

VI. Property Manager's Report

1. 2007 / 2008 Projects Completed

- a. Parking Lot
 1. Driveway was asphalted.
- b. Elevators
 1. Elevator doors were replaced by the elevator manufacturer with non-swell doors at no expense to the Association.
 2. We had a non scratch coating put on the doors to help keep them looking better.
 3. We put a reflective coating on windows at the landings to help keep heat off the elevator doors.
- c. Common areas
 1. All sliding glass doors in the units have been replaced at no cost to the Association. The new doors should have fewer problems with warping.
 2. If there are any problems with your sliding door, please email Keith by end of Aug and he will have contractor out one more time to fix all at once.
 3. New retaining wall and landscaping is being done.
 4. Planters in back per board were only to be cleaned up.
 5. Carpeting originally was installed on 3rd & 4th floors along with water proofing as suggested by the contractor. The water proofing bubbled & caused the carpet to buckle. Contractor removed waterproofing and installed new carpet at no cost to the Association.
 6. We stocked the pond.
 7. Garage lights all replaced.
 8. We purchased a new grill for common area; now there are 2 grills.
 9. Heated threshold for elevator is to help keep elevator running; car will come down to bottom when not in use to help keep car warmer.

VII. Pending Projects

1. Entrance to elevator at garage level to be replaced with stamped concrete and will be heated for snow melt.

2. Stair treads will be replaced with metal treads.
3. Snow run off in back is flowing into the building-Great Western Lodging is going to keep track of and try to keep snow away from that area to help keep from flooding the building.

VIII. Discussion

1. Old elevator doors will be removed from the storage room.
2. Garage stairs are on schedule to be repaired but will not be replaced. Only outside stairs will get the new treads to help keep snow and ice out of the building.
3. Dumpsters need to be walled in to cover them up; Great Western Lodging will have done by fall.
4. Carpeting on decks – this will compromise the water proofing and is not allowed. Do not use metal shovels on decks either, this will remove water proofing.
5. Grills on decks are not allowed due to fire code, except on 1st floor because they can put grill further out.
6. Asphalt grooves from cars are cosmetic and are not harmful to the asphalt.
7. There was a concrete gulley put into the driveway to drain water away from asphalt and prolong the life of asphalt.

IX. Old Business

1. Hot Tub Replacement

- a. Entire deck around hot tub was replaced.
- b. Moved pumps from pump room closer to hot tub so they are more efficient.
- c. Currently uses a peroxide system which is really bad for the hot tub and parts. The peroxide corrodes the pumps and piping.
- d. Great Western Lodging (GWL) is looking into a salt system which will be a couple years down the road until it's available & proven reliable for hot tubs.
- e. GWL will monitor and repair as needed.
- f. Hot tub closed quit a bit due to pumps-this is due to the peroxide corroding the pumps, and parts are needed to repair. Sometimes we have to wait for parts to come in. Some asked about keeping some parts on hand - we use a contractor to repair and the contractor does not keep all parts for all hot tubs and may need to order them.

2. Satellite Dishes

- a. Per Decs & Bylaws, no satellite dishes are allowed. Sawmill Creek is a part owner with the current cable company provider, and cost is ½ of Comcast.
- b. Board will look into more channels.

X. New Business

1. Breckenridge Update

1. Riverwalk Center has completed the new addition to their building.
 2. Vail Resorts wants to open Peak 8 first but this has not happened the last couple years and would be bad for rentals.
 3. Vail Resorts is going to try and build on 2 lots; it has not been approved as of yet.
 4. Slight increase in destination skier and decrease on day skier due to pay parking.
 5. Sales prices are increasing but number of sales is down
 6. Pine beetle is bad and getting worse. For every brown tree there is another 8 trees infected
- 2. Digital and HD TV**
- a. Per Bylaws, no satellite dishes are allowed at Sawmill.
 - b. Board is going to the other associations and will discuss more channels to be added to current cable.
- 3. Door Locks**
- a. One owner put a key pad door lock on their door - doors are owned by association, not owner, and this is not acceptable. This is due to security and safety being compromised when changed. Association will fix if not working properly.
- 4. Pond/Stream Change**
- a. Upper part was redone 2 years ago.
 - b. Dredged and cleaned 3 years ago at association expense of approximately \$30,000 each time.
 - c. Board & GWL will investigate if anything can be done about this, or make back into a stream.
 - d. If not dredged, ice builds up and flows over bridge.
- 5. Revisions of By-Laws**
- a. Original Bylaws are from the developer and some changes need to be made.
 - b. To change the Decs, there needs to be 75% owner approval and 100% mortgage approval.
 - c. The board would like to change how the insurance part reads.
 - I. Currently the Association is liable for common areas including building, Owners liable for contents of their unit. If there is a loss, the two insurances tend to fight and usually the association is held responsible.
 - II. They would like to change it such that the Association has insurance to cover entire building, including contents. This will make it so there is no fighting amongst companies. Owners can get additional coverage at their expense if policy does not cover all property in unit.
 - III. Change Bylaws to increase deductible. And the owner, from which loss emanated, will be

responsible for the deductible (from \$1,000 to \$5,000 or \$10,000)

- IV. Board and GWL will be looking into insurance price with these changes.
- d. Also clean up items that no longer apply or make sure new items are in the Bylaws.

XI. Dues

- 1. Alarms and monitoring increased by \$4,000 after the remodel.
- 2. Utilities increased \$20,000 due to colder weather.
- 3. Insurance and utilities will determine increase. Board is looking at no more than \$50 a month dues increase unless insurance is more than expected. All increases will go into operating account. Final decision on dues increase will be made by the Board this fall.

XII. Election of Board Members

- 1. There are 2 positions up for re-election
 - a. Tom Kohler & Larry Pithan up for re-election or replacement.
 - b. Mike Svetlic made motion to re-elect Tom and Larry for another term. Steve Browning seconded. All in favor, motion passed.

XIII. Next Meeting Date

- 1. The next meeting will be tentatively set for June 27, 2009.

XIV. Adjournment

- 1. Orville Cook motioned to adjourn meeting, Mike Jasiak seconded motion, Adjourned at 2:33pm June 28, 2008.