

**SAWMILL CREEK CONDOMINIUM ASSOCIATION
ANNUAL MEETING
June 26, 2010**

I. Call the Meeting to Order

The Sawmill Creek Condominium Association Annual Meeting was called to order by Larry Pithan at 10:06 a.m. on June 26, 2010 in the Park Avenue Lofts Conference Room.

Board Members Present Were:

| | |
|---|--------------------|
| Larry Pithan, #212 | John Bachman, #211 |
| Karen Svetlic, #302 | Jack Goth, #403 |
| Orville Cook, #404 (via teleconference) | |

Owners Present Were:

| | |
|----------------------------------|-------------------------------------|
| Linda Sardi, #100 | Nimrod Halfon, #101 |
| Steve Browning, #203 | Scott Benson, #204 |
| Kathy and Richard Peat, #207 | Robert and Joyce Christianson, #208 |
| Marie and Karen Logsdon, #210 | Leaann Henbest, #301 |
| Michael Svetlic, #302 | Joella and Richard Nauman, #303 |
| Roderick and Patricia Dame, #304 | |

Proxies were received from:

| | |
|-------------------------|---------------------------|
| Stephen Scavotto #105 | Randal Smith #107 |
| William Jackson #110 | Paul Allen #111 |
| Brian Schmidt #114 | Edward Rogers #115 |
| Michael Jasiak #116 | Geraldine Stronawski #201 |
| Lynda Monaco #202 | Thomas Kohler #205 |
| Todd Burnidge #214 | Howard Claussen #305 |
| Janet Baker #306 | James McKinney #307 |
| Jeffery Aron #308 | Paul Allen #309 |
| Klaus Rachke #310 | Kenneth Wilson #314 |
| Pamela Swift #315 | Thom Stalcup #316 |
| Elizabeth O'Brien #401 | Joe Friesen #405 |
| Bruce Mandel #406 | David Berrong #407 |
| Gary Vander Haagen #408 | |

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

II. Roll Call and Proxies

With fourteen units represented in person and twenty-five 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

Jack Goth made a motion to approve the June 27, 2009 Annual Meeting minutes as presented. Michael Svetlic seconded and the motion carried.

V. Financial Report

A. *Balance Sheet as of 5/31/10*

The May 31, 2010 Balance Sheet reflected the following account balances:

1. Reserves - \$65,133.
2. A/R – \$1,766. There are two owners in arrears and Jackie Gottschalk has contacted both owners.
3. A/P – \$2,681.

A Reserve Study was done and will be posted on the website.

B. *2010 Budget vs. Actual & Reserve 1/1/10 – 5/31/10*

1. Administration – \$1,403 under budget.
2. Alarms & Elevator – \$19 over budget.
3. Repair & Maintenance – \$32,768 over budget.
4. Operating – \$760 under budget.
5. Utilities – \$927 under budget.
6. Net Income – \$11,488 over budget.

C. *2010 Budget Overview*

The 2010 Budget as written does not include any dues increase. A few accounts were increased slightly including the Management Fee (5%) and Insurance (based on the claim). Repair & Maintenance was decreased 24.9% and Electric was increased 12.3%.

An owner questioned the \$1,840 actual cost for Income/Property Taxes. Larry Pithan explained the tax liability was due to the interest earned on the money that was invested from the renovation.

Michael Svetlic made a motion to approve the 2010 Proposed Budget as presented. Steve Browning seconded and the motion carried.

VI. Property Manager's Report

A. *2009/2010 Completed Projects*

1. Concrete along the creek was removed and sod and landscaping was added.
2. The staircase in front to Park Avenue was replaced and railings were added.
3. The boxes were planted with low maintenance plants.
4. Cobble pavers were added by the light at the corner of Ski Hill and Park Avenue.
5. Installed wireless access throughout the building.
6. Painted garage walls last fall and restriped the parking spaces.
7. Restocked the pond with about 80 trout.

B. *Pending Projects*

1. Continue beautification of property.
2. Continue cobblestone pavers between sidewalk and landscaped area.
3. Replace wooden stairs to the barbecue with metal stairs.
4. Patch small areas of concrete as needed.

There was discussion about moving the building signage. Jeff Cospolich said the town sign code only allowed for one sign per entrance but one sign could be added on the side of the building or the existing sign could be moved to the corner for improved visibility. He will follow up with the town.

Larry Pithan discussed the pond situation. The last time the pond was dredged the cost was about \$35,000. It will likely need to be done again in about three years and the town is unwilling to share in the cost. Larry suggested converting the pond to a stream at some point in the future to eliminate this costly maintenance item and to increase the amount of green space.

The owners recognized Great Western Lodging for their efforts at the property.

VII. New Business

A. *Amendment of Bylaws*

John Bachman has been working on the amendments to the Bylaws. This is being done for compliance with new state statutes and the Colorado Common Interest Ownership Act. A copy of the revised Bylaws was included in the meeting packet along with a summary of the changes that were made. He provided an overview of the revisions:

1. Article 1 – recites CCIOA.
2. Article 2 – expands the voting procedures.

3. Article 3 – changes the date of the Annual Meeting to a date in June instead of October.
4. Article 4 – relates to operations and procedures for the Board of Directors.
5. Article 6 – relates to a bond requirement and segregation of funds.
6. Article 7 – updates indemnification for Officers
7. Article 8 – revises the majority required to amend the Bylaws to a majority of owners present instead of 75%.
8. Article 9 – clarifies that owners are required to provide mortgagee information.
9. Article 18 – relates to notice and hearing procedures for owner complaints or violations of the Bylaws or Declarations.

Jack Goth said the Amendments did not represent any real changes but they needed to be in writing, enforceable and in compliance with Colorado law.

Michael Svetlic made a motion to approve the amended Bylaws as presented. Jack Goth seconded and the motion carried with no opposition.

The Board and owners recognized John Bachman for his work on this project.

VIII. Town of Breckenridge Update

Chad Christy provided an update on Breckenridge projects. There are numerous repaving projects all around the town and the highway is being widened between town and Farmer's Corner. The path by the river was designated as an official trail and improvements were made. CMC opened last fall and the Breckenridge Building Center moved out of town.

Great Western Lodging had a reasonable year despite a continuing downturn in the market. There were more reservations but at lower rates and more discounting. The advance booking window continues to be very short and there is more price negotiation.

Chad believes the volume of real estate sales has bottomed out although the market is and will probably continue to be stagnant. Financing continues to be challenging.

The town ballot may include a 1% lodging tax increase and an amusement tax for lift tickets because there is no sales tax on lift tickets.

A question was raised regarding the build-out of Breckenridge. Breckenridge is 85% built out between Farmer's Corner and Hoosier Pass. There is still the potential for 300 condominiums and underground parking in the gondola parking lot, which is the last large parcel of developable land. Breckenridge was previously projected to be 100% built out by 2013 but the pace of new construction has slowed considerably.

Future expansion could occur on 450 skiable acres on Peak 6, which is within the permit area. There could be one chairlift and a small 150 seat restaurant at the bottom but no base area. The ski area does not yet have the permit to start and the town and County are against the expansion.

The gondola will be running free of charge starting July 1st. There will be nature hikes from the top of the gondola.

An owner asked about the impact of the medical marijuana law. Chad Christy said the town was no longer granting grower licenses. At one point there were six dispensaries in Breckenridge but he thought several had closed.

IX. Open Discussion

An owner commented that there was an old jeep parked in the garage that was leaking fluid. Keith Kroepler said it belonged to a long term tenant. He will contact the owner of the unit and inform him it must be removed.

X. Election of Directors

There are two Board seats up for election. Patricia Dame made a motion to nominate Karen Svetlic and Jack Goth as both indicated their willingness to serve an additional term. Richard Nauman seconded. There were no other nominations from the floor.

A motion was made to close nominations and to elect the two incumbents by acclamation. The motion was seconded and carried.

XI. Set Next Meeting Date

The next Annual Meeting was set for Saturday, June 25, 2011.

XII. Adjournment

A motion was made to adjourn at 11:28 a.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Approval