

**SAWMILL CREEK CONDOMINIUM ASSOCIATION
ANNUAL MEETING
June 28, 2014**

I. Call the Meeting to Order

The Sawmill Creek Condominium Association annual meeting was called to order by Larry Pithan at 10:00 a.m. on Saturday, June 28, 2014 in the Park Avenue Lofts Conference Room.

Board Members present were:

Larry Pithan, President, #212	Karen Svetlic, Vice President, #302
Steve Browning, Secretary, #203	

Owners present were:

Joan Wright, #114	Michael & Dona Jasiak, #116
John Vosanovich, #116	Geraldine & Tom Stronawski, #201
Scott Benson, #204	Molly Logsdon & Kathy McCracken, #210
Kara Bachman, #211	Pam Pithan, #212
Bill & Bryanne Wallace, #301	Joella Norman, #303
Rick & Pat Dame, #304	

Proxies were received from 24 owners.

Representing Great Western Lodging (GWL) were Chad Christy, Keith Kroepler, Jackie Gottschalk, Jeff Cospolich, Brian Juchno and Jessica DeAngelis. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. Roll Call and Proxies

With 12 units represented in person and 24 units represented by proxy a quorum was confirmed.

III. Verification of Notice

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

IV. Review and Approval of Previous Meeting Minutes

Michael Jasiak (#116) made a motion to approve the June 15, 2013 Annual Meeting minutes as amended. Joan Wright (#114) seconded and the motion carried.

V. Town of Breckenridge and Marketing Update

Jeff Cospolich of GWL said it was a banner snow year for Breckenridge. January was a record-breaking month and Breckenridge was the snowiest ski resort in North America. There was media coverage of the Peak 6 opening by many of the major outlets in key markets. The new terrain helped with traffic flow. The Colorado Super Chair will be replaced with a six-passenger chair. Next year will be the 30th anniversary of snowboarding at Breckenridge. The Peak 9 restaurant lease expired and Vail Resorts will be taking it over and remodeling the facility this summer.

The Town of Breckenridge's overall monthly sales tax collections have outperformed the previous year's for 20 months straight. There has been a small increase in rentals. The number of rental beds is on the rise, creating new challenges. Ongoing maintenance and improvement of the property is more important than ever to prevent loss of market share. The Town has plans for a roundabout at the intersection of Park Avenue and Four O'Clock Road, to be constructed in the next few years.

The Breckenridge Mountain Lodge is under a development agreement. It will be a Marriott Residence Inn facility with units with kitchenettes. It is in the Planning Commission phase and public input is being accepted.

There was an ice castle by the Riverwalk Center parking lot this past winter. Given the amount of water used in the construction, the town is looking at changing the concept for next year.

An owner asked if Highway 9 would be completed this summer. Jeff said it was supposed to have been finished by July 4th but there have been delays. The roundabout on Hwy 9 near Fairways Drive (by the "bears" and the BBC) is under construction and should be complete this summer. There are also tentative plans to reroute the highway at Farmer's Corner.

VI. Financial Report

This report was given by Keith Kroepler.

A. *2014 Budget Overview*

The Association ended 2013 with a loss of \$8,461. Insurance, Repairs & Maintenance and Electric were all over budget. There was a \$6,100 expense to repair a leak in the garage. No insurance claim was filed since the deductible is \$5,000. Other expenses contributing to the overage included \$1,500 for cleaning up the creek, \$540 to repair a roof leak, and \$857 to repair frozen pipes in the garage.

The proposed 2014 Budget included a 5% increase to the Management Fee and a 10% increase for Insurance, but no dues increase. Keith Kroepler said he had checked into USAA insurance but found that one of the Board members would have to be retired military to participate. Repairs and Maintenance was reduced to \$16,000. Keith

Kroepler anticipated that it might be necessary to implement a small dues increase in the next budget cycle.

B. Profit & Loss as of May 31, 2014

As of May 31, 2014, the Operating account was \$7,000 favorable to budget but this was mainly due to the timing of some payments and will even out over the course of the year.

C. Approval of Finance Report

Bryanne Wallace (#301) made a motion to approve the Financial Report and 2014 Budget as presented. Michael Jasiak (#116) seconded and the motion carried.

D. Reserve Study

Brian Juchno said the Reserve Study was available on the website. He recommended having a professional update done in a couple of years to adjust the costs and estimated useful lives of the assets. The next river clean up is scheduled in 2015 for \$5,000.

VII. Property Manager's Report

This report was given by Brian Juchno of GWL.

A. 2013/2014 Completed Projects

1. Connected the lower grill to the natural gas line. The upper grill is still using propane.
2. Repaired areas of damaged siding and repainted. Additional painting is scheduled in the Reserve Study in two years.
3. Installed graffiti guard on the elevators.
4. Cleaned up the stream after the runoff. Fill will be added around some of the rocks to keep them in place.
5. Continued ongoing maintenance of landscaping and touch-up painting.

B. Pending Projects

1. Landscaping additions.
2. Concrete repairs.
3. Touch-up painting.
4. Removal of the concrete slab on the bridge and replacement with a removable grate to allow for access for dredging under the bridge. There are some Reserve accounts that can be used to pay for the work. There is a potential of \$2,000 in annual savings by eliminating the snowmelt system for the bridge surface and from eliminating the need to bring in special equipment to dredge under the bridge from the side. The sediment must be removed to prevent it from freezing in the winter and flooding the bridge. The grate will allow the snow to pass through and prevent accumulation on the surface. A small

walkway will be added on the bridge for dogs and pedestrians with narrow heels. Efforts will be made to increase the speed of the water flow to reduce the amount of sediment accumulation. The natural sandbar that is forming may be landscaped to narrow the channel.

Larry Pithan (#212) thanked GWL for their work at the property.

An owner commented that the Reserve Fund balance was (\$86,000) in five years. She asked if there was a plan to address it. Larry Pithan said it was due to the roof replacement at a projected cost of \$200,000. There are a couple of damaged areas on the roof. It may be possible to replace the roof in sections. The options are to increase dues or levy a Special Assessment.

An owner asked about the roof insulation. Brian Juchno said the insulation was improved wherever there was access or where problems occurred. There have not been leaks in those areas.

VIII. Old Business

A. *Flood Insurance/Individual Insurance Coverage*

Keith Kroepler said a list of important questions that owners' insurance agents should discuss with the Association's carrier was sent to owners last week. Owners should be sure to carry assessment coverage to pay for any insurance deductible (\$5,000) they may be assessed. In addition, owners should carry loss of use coverage.

There are a number of issues that commonly cause leaks and damage including the water lines to the icemaker and washing machine, windows that are left open, heat being turned down too low and old hot water heaters.

An owner asked if there was an expert who could provide an inspection of the units to identify problems with water lines. Brian Juchno said he could provide a list of professionals.

IX. New Business

A. *Revisions to Rules and Regulations*

Larry Pithan reviewed the recent changes to the Rules and Regulations.

1. Smoking and Marijuana – No smoking of any type is permitted in any area of the common interest community, including in units, on the balcony/deck or in the common areas. The procedure for violations includes a warning and then escalating fines for repeated violations. The fine will be levied against the unit owner, unless the unit owner is in the Great Western Lodging rental program. In that case, in the event that the unit in question is occupied by paying guests, since the renter has a contract with GWL, the renter can be fined. All Great

Western Lodging units are smoke-free. Signage will be added in several areas around the property.

2. Pets – Only owners (not guests of owners) are allowed to have pets and pets need to be kept on leashes while on the property. Service pets are an exception.

These changes are effective immediately.

B. Amenities

An owner thanked Great Western Lodging for the nice amenities in the units (soap, shampoo, etc.) and for the decorative towel folding. She felt it made the property distinctive.

C. Dues

Michael Jasiak (#116) commented that it might be prudent to increase the dues to \$475/month to reduce the amount of the future Special Assessment for the roof replacement.

D. FEMA Flood Zone Map

Brian Juchno said the remapping process was on hold.

X. Election of Directors

The term of Larry Pithan expired. He indicated his willingness to serve an additional term. There were no other nominations from the floor. Larry Pithan was elected by acclamation.

Larry Pithan recognized the management staff for their work at the property.

XI. Set Next Meeting Date

The next Annual Meeting was set for Saturday, June 27, 2015.

XII. Real Estate Update

Chad Christy said there was a big surge in single-family home sales last August. There is currently one unit listed for sale in Sawmill Creek. It is anticipated that there will be a continued increase in prices this summer due to low inventory.

XIII. Adjournment

Michael Jasiak (#116) made a motion to adjourn at 11:24 a.m. Molly Logsdon (#210) seconded and the motion carried.

Approved By: Samy C Pithan
Board Member Signature

Date: July 21, 2014