

Sawmill Creek Condominium Association
Board of Directors Meeting
February 12, 2004

A Board Meeting was held on February 12, 2004, via conference call. Board members present via conference call included Jack Goth, Joe Friesen, Orville Cook, Karen Svetlic and Brian Erley. Larry Pithan was present and Keith Kroepfer, Brian Juchno and Patrice Novak from Great Western Lodging were also present. Items discussed were as follows:

I. Call to Order

Larry Pithan called the meeting to order at 1:09 p.m.

II. Review of 2003 year-end financial report

- A. Keith verified whether all board members received the correct copies of the financials via e-mail.
- B. Larry pointed out the expenses were down \$18,698.38 due to the savings in insurance. The association had stayed with the same agent, but shopped around to find better rates.
- C. Line item 8100 - Repair and Maintenance, is \$5,492.94 under budget, however line items 8110, 8120 and 8125 were a little over budget.
- D. Operating Expenses, line item 8245 was a little over budget.
- E. Line item 8345, Electricity went up \$3,591.52. Larry mentioned that there isn't much the association can do in order to save electricity. Keith stated the occupancy hasn't changed, but the rates have almost tripled.
- F. The Net Income was \$19,964.26; it was budgeted at a loss of \$2,900 so the association did very well. The majority of the savings was due to the insurance. The \$19,964.26 will be transferred into the reserve account.
- G. The reserve account has \$98,911.70 by yearend. The savings account has \$10,634.49, making the total cash on hand \$109,546.19.
- H. Jack Goth questioned what the Special Assessment was for that was billed to each owner earlier in the year. The assessment was for the high-speed internet access upgrade to the cable system. The balance sheet will not show the assessment due to the fact that the association paid for the upgrade, billed the owners and upon receiving payment from each owner, the transaction balanced to zero.
- I. The pond dredging was not completed this year and had been budgeted. Capital projects are expensed out of the reserve account.

- J. The stair repair and elevator tile projects were completed as well as touch painting and stucco patching.

III. 2004 Budget

- A. Larry stated the budget has not changed much.
- B. The insurance has lowered.
- C. The association is heading into the year with a budgeted net profit of \$12,796.28.
- D. The electric and trash removal was increased due to rate increases.
- E. Administrative Expenses increased due to the annual meeting costs. Larry Pithan felt that it was important to have a nice annual meeting.

IV. Update on Projects

- A. There were 2 different contractors who looked at the pond-dredging project and were given a \$15,000.00 limit. The project will not be completed until sometime in the fall, as there is a need to wait for new equipment to come in and for the water run off to slow down.
- B. Continued touch up painting, estimated cost of \$2000.00
- C. Concrete and repair/replacement of the pond railing, estimated cost unknown.
- D. Overlay of the driveway, estimated cost of \$10,000.00. The seal coating was completed this summer and is holding up fine.
- E. Deck area over the steps going to the pond, estimated cost of \$6-8,000.00
- F. Elevator door replacement, estimated cost of \$16,000.00. Thyssencrupp has been maintaining the elevator and it is believed that a replacement door would cut down on the cost of repairs and emergency calls. The elevator does go down a few times per year.
- G. Concrete around the pond is heaving; it has been patched once, but it is heaving again. If the deck were completed, the concrete would just be removed. If the deck is not approved, the concrete will have to be repaired.
- H. The ice melt is functioning well.

It was decided that the deck/concrete by the pond area would be further discussed at the annual meeting. The type of elevator door (concrete vs. stainless steel) shall be discussed at the annual meeting as well.

V. Discuss Bicycle Parking

- A. There is a need to find an appropriate place for the bicycles to be stored in order to prevent the guests and owners from carrying them up to the units.

- B. Brian Erley volunteered to research the project and present solutions at the annual meeting.
 - 1. Finding a solution that is secure is important.
 - 2. Brian said he would manage the project on his own.

VI. Discuss Exterior Renovation Project

Larry headed out the discussion by confirming that all board members received the sketches for a possible renovation plan and recalled them. The current siding on the building is beginning to deteriorate. The location is premier and very visible. Larry stated that there is value to updating the appearance of the building. Arapahoe Architects drew up the sketches and they are not final. The sketches give the association a basis to begin the research of the project. The project is going to be very expensive and there is no preliminary budget as of yet. There will have to be a significant assessment and this will be a concern to many of the current homeowners. This project may not begin until 2006. Brian suggested each board member to give their thoughts on the possible project.

Brian Erley

Feels it is necessary due to the location and in order to raise the rental quality for the guests. The upgrades would bring higher rental figures to the owners as well as increase the value of the property. Brian is in favor of renovation and feels that the project needs to be open to discussion with the remainder of the homeowners. Brian would like the board to have a plan that everyone would agree on regarding window replacement in order for owners to be able to replace the old windows. Brian also agrees that a couple more drawings to give everyone more ideas would be wise.

Karen Svetlic

Is concerned about the railings from the sketches and the safety of them. Karen also felt the wood shakes in the drawing would deteriorate more quickly and add to the maintenance of the building. Karen feels the project is too pre-mature to send out information to the homeowners at this time. Feels the board should come up with an agreement of the style of the building before approaching contractors and getting bids. Karen mentioned that she is concerned about the windows as well.

Larry Pithan

Larry re-iterated that the sketches are preliminary. He stated that it was important to the association to have a "maintenance free" exterior. Larry also stated that the current stone is an issue with all owners. The stone has held up well but is now falling off the building. Brian Juchno mentioned the stone is faux and is no longer manufactured therefore it is not repairable. Larry would like the association to get some quotes from a

couple contractors as well as a couple more themes for the building from the architects. Feels a rough budget number would be needed prior to presenting the possibilities to the homeowners.

Orville Cook

Orville mentioned there isn't really a front door to the building. He is in favor of going forward with the research of the project and also has an issue with the safety of the railing in the sketches. Orville would like the building to look unique and not look like every other building in the area. Would like to know what the possibilities would be of just repairing the exterior rather than renovating the whole thing.

Jack Goth

Would like to see new windows replaced possibly prior to the renovation Project. Jack feels the project is necessary but does not particularly like the sketches. Feels it is important to get bids from contractors. Jack stated money is the main issue.

Keith mentioned that the cost of window and door repair/replacement is the homeowners' responsibility. The association does need to approve any changes to make sure they are uniform with all the existing windows/doors.

VII. New Business

- A. Discuss the election of Karen Svetlic to the Board of Directors, who replaced Hank Coll after his unit sold.
 - 1. Jack Goth motioned to elect Karen to the Board, Joe Friesen seconded the motion, all in favor, and the motion was passed.
- B. Declaration's and By-laws are in the process of being updated by the attorney.
 - 1. The goal is to have some of the proposed changes to be voted upon at the annual meeting.
 - 2. Scoop Daniel is the attorney and he is working slowly on the project.
- C. Sound absorbing sub floors
 - 1. Brian Erley would like to have some options put together to present to any owners who may be remodeling.
 - 2. Brian also suggested having some contractors or architects come up with some plans for soundproofing.
- D. Flood Insurance
 - 1. It was suggested that the flood insurance should be a plan for the entire association and paid for by the association rather than by individual owners.
 - 2. Jack suggested getting an insurance plan together

3. Larry mentioned that flood insurance should be an association expense per the by-laws.
4. Longballa had quoted a rate between \$5,000-6,000 per year for the entire association.

Brian Erley motioned to have a solid flood insurance quote and to go forward with having the association pay for the policy. Larry Pithan seconded the motion, all in favor and the motion was passed.

E. Cable/Internet Access Problem

1. Orville asked whether the problems the cable company had been having off and on since Christmas were taken care of.
2. Brian Juchno mentioned there had been some problems a couple of weeks ago but as far as he knows, everything is running smoothly now.

F. Recycling

1. Brian Erley suggested having the association expand to recycling paper products.
2. The association will look into Timberline Disposal and what they may charge for recycling.
 - a. Brian Juchno said he would call the local recycling company and see what kind of costs there would be.

VIII. Adjournment

Larry Pithan motioned to adjourn the meeting, all seconded the motion and the meeting was adjourned at 2:12p.m.

The Annual Homeowners Meeting will be held on June 26, 2004 at 10a.m. and will be tentatively located at the Park Avenue Lofts Conference Room at 500 South Park Avenue, Breckenridge, CO, 80424.