

SAWMILL CREEK CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
April 5, 2006
Breckenridge, CO

A Board of Directors meeting was held on April 5, 2006, in Breckenridge Colorado. Board members present via teleconference call included Brian Erley, Karen Svetlic, Jack Goth, Orville Cook and Larry Pithan. Brian Juchno, Keith Kroepler, Chad Christy and Patrice Novak were present representing Great Western Lodging. Items discussed were as follows:

I. CALL TO ORDER

The meeting was called to order on April 5, 2006, at 1:00 p.m.

II. NEW BUSINESS

Larry Pithan sent out an agenda via e-mail to all the board members this morning

- A. Discussion of GMP budget estimate from Travis Construction
- 1.. Allowance line items, there aren't firm prices as of yet or not able to confirm a price until product is purchased.
 - a. These line items could either go up or down.
 2. There is a contingency shown at the end of the budget that outlines the possibility of unknown costs arising.
 - a. Travis adds on 9% for their payment on the project
 - b. Larry doesn't feel the contingency really matters as to which budget it is on, Travis or Sawmill Creek.
 3. Budget changed from last year
 - a. Product prices change from one year to the next
 - b. Not all numbers were finalized as of last year
 - c. Last year a general budget was approved by the board, a contract for the project has not been signed yet.
 4. Outline of Budget by Divisions
 - Division 1
 - a. The building permit has been approved and the cost is actually \$11,000 rather than \$13,600.
 - b. Trash Removal
 - aa. Some of the wood can be recycled
 - Division II
 - a. Pulled out landscaping, \$25,000. Sawmill Creek can handle directly to avoid paying a markup on it.
 - b. Brian Erley wanted to know what kind of damage to the existing landscaping will be affected.

- i. There is no way of really knowing until we get to that point.
- c. Jack Goth asked if the garage portion of the roof will be worked on.
 - i. Garage roof work is currently in the budget

Division 3

- a. Concrete work was not originally in the budget
 - i. Patching will be needed along the deck by walkways.

Division 4

- a. Masonry increased by about \$5000.00

Division 5

- a. Stairs by pond are deteriorating, there is no structural support, they will need to be supported.
- b. Repair of roof deck
 - i. Cost of steel has gone up
- c. Item C – fabricated aluminum guardrails can possibly go down to \$45,000.00.
- d. Item 5580 – Chimney Caps
 - i. The current design could be simplified, there is room for savings there.
 - ii. The town has to approve the design
 - iii. The current design is currently pitched, a flat design could possibly work.
 - iv. Brian Erley mentioned he would like to know what the actual savings would be if the design was simplified.

Division 6

- a. Increased scope of woods and plastics
- b. Waterproof west deck area, and the east deck area (behind spa) which a pitch needs to be added due to lack of drainage.
- c. Siding costs increased
- d. Overall the entire section only increased about \$6000.00.
- e. Windows cased with wood and trim was budgeted, it has been proposed to replace windows with an aluminum frame and wood sill instead, could possibly save up to \$50,000.00.
 - i. If the windows were trimmed in wood, it would affect the interior size and mess with existing blinds, etc.

Division 7

- a. Additional roofing material needed due to the roof areas next to the millhouse building.
- b. Gutter/downspout repair was not in original budget.
- c. Overall, this section only increased by \$180.00

Division 8

- a. Fiberglass doors vs. insulated steel or wood
 - i. It was suggested to research cost of savings if switched to steel or wood.
 - ii. They do need to look nice, however many of the doors are not visible from the exterior.
- b. Windows increased by 10%, the windows will be very nice
 - i. wood with aluminum clotting, insulated

Division 9

- a. Waterproofing walkways was budgeted at \$11,000.00 and has increased to \$66,000.00
 - i. The carpet would have to be removed, repair the wood underneath, lay waterproofing and replace carpet, a larger expense than originally thought.
 - ii. There isn't a lot of leakage as it is now, may be able to hold off and save up to \$40,000.00
- b. Individual Decks
 - i. Budgeted currently at \$61,000.00, with new material, could decrease to \$20,000.00.
 - ii. Should be swept, not shoveled

Division 10

- a. It is proposed to hang lights on walls between windows, aim lights up/down, and add a light in front of each door.
- b. Third floor will need a lot of repairs on the soffets

B Consideration of how to address budget shortfall

- 1. Reduce Scope
 - a. Reassess the changes made to the proposed budget with savings/increases
- 2. Additional Assessment
 - a. The board did not feel an additional assessment would be acceptable to the owners.
- 3. Borrow Money
 - a. The board agreed it would be better to borrow money for any shortfalls. The reserve account should be used for any upcoming projects/repairs.

C. Approval of Elevator renovation proposal

- 1. For a brand new elevator, the cost is estimated at \$92,000.00.
- 2. If cab is kept, new controls, hydraulic pump and keep the old doors, the estimated cost is \$42,000.00
- 3. The elevator replacement/repair would take about 2-3 months to complete.
- 4. The board agrees that the elevator should be replaced, rather than repaired.

D. Status of new windows in units

1. Additional windows in drawings to open up walls in some bedrooms
 - a. Some owners were very upset with this proposal, Larry sent out a letter requesting owners to respond with their thoughts.
- E. Discussion of shared savings to Travis Construction
 1. There is a clause in the contract stating if the total construction is below the maximum dollar amount, Travis is to keep 50% of the savings.
 - a. This was never discussed or brought up by Travis before
 - b. The board does not feel Travis should get 50% of any savings.
 - i. Incentive to cut corners?
 - ii. Or incentive not to overspend?
 - c. Allowance items are not included in the clause.
 - d. Travis has stated they would not lower percentage below 35%
 - e. Board suggested to offer a bonus to Travis if they are below the maximum dollar.
 - f. The budget has already increased by \$260,000.00 since last year
- F. Review proposed construction procedures
 1. It was decided that Brian Erley and Larry Pithan are to approve construction draws before the invoices are paid if the amount is over \$1000.00.
 - a. Approvals can be in person or via e-mail
 - b. Brian Erley can get to Breckenridge often if necessary, Larry is planning on being in Breckenridge once per month to oversee the project.
- G. Approval of Great Western Lodging for project supervision
 1. Jack Goth moved to allow Great Western Lodging to be the on-site project supervisors, Karen Svetlic seconded the motion, all were in favor and the motion was passed.
- H. Approval of contract with Travis Construction
 1. It was agreed that the Travis should go ahead with the project
 - a. Shared savings on the maximum dollars needs to be discussed prior to signing the contract.
 - b. A stipulation on change orders percentage
 2. Brian Erley moved to proceed with the project, Orville Cook seconded the motion, all were in favor and the motion was passed.

III. ADDITIONAL COMMENTS

- A. Color of Exterior

1. Some owners are not happy with the current color. It can be changed, Brian Erley said he would pick up the sample board and make sure the colors in the stone are reflected in the siding.
- B. The water feed line in the master joint from unit #309 leaked into 209 and 109.
 1. They had to cut through unit #310's wall to get to the source.
 2. Unit #110 lost 3-4 rentals, loss of rents is more costly than the damage.
- C. Orville Cook mentioned the complaints regarding wood floors in units and the noise they cause to the units below.
 1. There should be a covenant that requires sound-proofing
 2. Brian Erley will research possible options for sound-proofing
- D. Everyone thanks Larry immensely for all the hard work he has and will be putting into this project.

IV. ADJOURNMENT

- A. Meeting was adjourned at 2:45 p.m.