

CEDAR LODGE ANNUAL MEETING JUNE 18, 2005

CALL TO ORDER

President, Don Buckalew, called the meeting to order at 10:10 am.

PROOF OF NOTIFICATION / PROXY COUNT

Property Manager Kevin Lovett of Summit Resort Group examined the Meeting Registration and counted proxies. 5 units were represented in person with 22 proxy votes assigned to Don Buckalew. 27 of 42 units were represented constituting a quorum.

INTRODUCTIONS

IN PERSON:

201 – Jack McKinley
220 – Steven & Susan Konecny
302 - Sharon Ramey
315 - Don Buckalew

BY PROXY:

202 – John Mackey
205 - Thomas Jones
208 – Florencio San Juan
320 – Mel Walden

206 – Karin Schantz
209 – Karen & Paul Pearston
211 – Curtis & Marcia Low
212 – Deborah Shaner
213 – Jeff Covey
215 – Mark Vukovich
217 – Paul & Linda Tuttle
218 – Warren Smith
221 - Roger Gooch
301 – Norman Shenk
304 - Susan Murry
305 - Craig Behnke
306 - Mike Mestas
310 - Jeffrey Regeczi
314 – Daniel Sederstrom
316 - Christine Grinde
317 – Scott Soelberg
319 – Kathleen McCormick
321 – James T Hobbs

Kevin Lovett was present representing Summit Resort Group Management.

PRESIDENT'S REPORT

Don Buckalew presented the presidents report. The first item discussed was the change in management from ResortQuest to Summit Resort Group. He then stated that there are 13 condos occupied by full time owners, 9 long term tenants occupy the condos and the remaining 22 owners use their condos as second homes and / or short term rentals. Problems with long term tenants identified at the complex include smoking in the hallways and threatening and abusive behavior. The Frisco Police Dept. was called to handle situations at the complex at least 6 times. The recommendation was made to have management send letter to owners with the

possibility of a monetary penalty for future tenant problems. The Cedar Lodge HOA Rules and Reg's will be strictly enforced by the Board and Summit Resort Group. The recommendation was made to enforce all Rules and Reg's consistently. Wooden siding and the elevator were identified as two future major expenses. There are three openings on the board of directors as Mike Mestas, Melvin Walden and Steve Konecny's terms expire. The board has recently passed a motion to increase the board membership to 6 members with the sixth member holding a non-voting position unless one of the five voting members is not-present at a meeting in which voting occurs. Recommended criteria for board members include having good/daily email capabilities and they must plan to own their condos for at least two more years.

APPROVE MINUTES

The Annual Meeting Minutes dated June 19, 2004 were reviewed. Melvin Walden motioned to approve and Sharon Ramey seconded. June 19, 2004 minutes approved.

FINANCIAL REPORT

Don Buckalew presented the year to date financials through May 30, 2005. Total cash balances reported were \$51,161.08 of which \$48,305.87 was the Reserve Account. Actual Income (net of Reserve transfers) was \$43,925. Actual Expenses for the first five months of the fiscal year were \$670 over budget. Each month \$930 is transferred from the Operating Bank Account to the Reserve Account.

Real Estate Report

Real estate activity at Cedar Lodge includes 2 condos listed for sale with realtors and 2 condos have sold since June 1, 2004.

MANAGING AGENTS REPORT

Kevin Lovett presented the Managing Agents Report which started with an overall Summit Resort Group Management Team introduction.

The following items were reported as completed since last year's annual meeting:

- Completed annual inspections including fire systems, fire extinguishers, chimneys, fireplaces (and repairs), elevator, roof (and repair), hallway heater (and repair) and boiler
- Completed major hot tub electrical repairs
- Completed installation of new washers and dryers (4 each)
- Completed installation of emergency safety lighting in hallways and stairwells
- Completed professional carpet cleaning and elevator carpet replacement
- Completed interior and exterior touch up painting projects
- Completed preventative sewer line cleanout
- Completed complex re-key (all units, ski-lockers, maintenance rooms, laundry rooms, lobby / hot tub area and exterior doors)
- Town of Frisco has completed drainage remediation and grading in front of complex
- Completed garage door keypad change (next change set for October 2005)

The following items were reported as pending items to be completed:

- Asphalt crack sealing (parking lot)
- Garage heater replacement (2)
- Siding repair and painting on West end
- Landscaping improvements on North side of bldg.
- Skylight replacement in 3rd floor hallway

NEW BUSINESS

The following New Business items were discussed.

- Elevator- The elevator has been identified as a future possible major expense item. We have completed the annual State Inspection and passed with no major issue identified. We have also had inspections completed by Schindler elevator (who has also completed a proposal and quote for replacement consisting of approx. \$60 k for

replacement all at once vs. approx. \$80k for a phased replacement approach) and Thyssen-Krupp elevator co. Thyssen- Krupp, specializing in Dover elevators (the brand we have), states that the current elevator we have is in good shape despite it's "older" age. Thyssen-Krupp does not feel that full replacement at this time is necessary; however, it is difficult to predict when parts might fail. Our continued routine monthly maintenance work will help to prolong the life of the elevator.

-Ice Machine – According to current health code requirements and concerns, the current ice machine we have is not recommend to be used for consumption. The open face style allows for uncontrollable possible contamination. In accordance with health dept. recommendations, we have posted a notice on the ice machine which recommends the ice be used for cooling purposes only; not consumption. The cost of a new ice machine is approx. \$2500.

-Parking stickers / permits –Each unit is entitled to only one assigned parking space (some inside the garage and some in the outside parking lot). In efforts to avoid parking problems during high occupancy times, the idea has been presented to assign parking stickers or permits to help identify un-permitted vehicles. After discussion, the decision was made to not implement parking stickers or passes at this time and that Management would be responsible for notification of owners and local rental companies at least two time's per year. Management is also to look into towing options of vehicles inside the parking garage and also establishing a relationship with a local towing company to keep rates down.

-Jack McKinley – Jack McKinley prepared and completed a rental analysis and rate of return presentation. Don Buckalew requests that all association Documents are presented to all buyers with all "For Sale by Owners" sales.

ELECTION OF DIRECTOR

The terms of three directors (Mike Mestas, Melvin Walden and Steve Konecny) expire and the board has recently passed a motion to increase the membership of the board to 6 members with the sixth member holding a non-voting position. Melvin Walden, Steve Konecny, Katherine Shenk and David Lawson were nominated as members. The motion was made to accept these four as board members and passed. The vote was unanimous.

NEXT MEETING DATE

The next Annual Meeting of the Cedar Lodge Condominium Homeowners will be held June 17, 2006 at 10:00 am.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 11:42 am.

Minutes Approved By _____ Date _____