

**CINNAMON RIDGE III CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
June 28, 2008**

I. CALL TO ORDER

The Cinnamon Ridge III Condominium Association Annual Homeowner Meeting was called to order by Mike Black at 9:10 a.m. in the Oro Grande Lodge Meeting Room.

Board Members Present Were:

Mike Black, President, D222
Larry Glover, Director, B104

Mike Pederson, Treasurer, B101
Kevin Donofrio, Director, C112

Homeowners Present Were:

Sandra Pederson, B101
Bob Tomsky, B203
Kimberly Whitchurch, C214

Lee and Deborah Johnson, B103
Michael Preble, C212
Kathy Glover, B104

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and John Crowell. Margot Mayer was recording secretary.

With eight units represented in person and ten proxies received a quorum was reached.

Introductions of all attendees were made.

II. VERIFICATION OF NOTICE

Notice of the meeting was sent June 7, 2007 in accordance with the Bylaws of the Association.

III. APPROVAL OF PREVIOUS MEETING MINUTES

A motion was made to approve the minutes of the July 7, 2007 Homeowner Meeting as presented. The motion was seconded and carried.

IV. FINANCIAL REPORT

A. 2007 Year-End Financial Report

As of December 31, 2007 the Association had an Operating balance of \$37,102 with \$19,886 in the Reserve money market account and \$27,673 in the Reserve account.

The December 2007 Profit and Loss statement reflected that the Association ended the year \$23,371 under budget in the Operating account. The surplus was transferred into the Reserve account.

B. 2008 Year-to-Date Financial Report

As of May 31, 2008 the Association had an Operating balance of \$5,786 with \$20,049 in the Reserve money market account and \$53,839 in the Reserve account.

The May Profit and Loss statement reflected that the Association was \$865 over budget in the Operating account. This variance was mainly due to higher expenses for snow removal and the hot tubs.

C. 2007 vs. 2008 Balance Comparison

Kevin Lovett provided a comparison of the financial position as reported for 2007 versus 2008:

2007 Annual Meeting Report
for 2006 Fiscal Year-End

1. Operating - \$18,422
2. Res. Money Market - \$19,027
3. Reserve - \$49,646
4. Overall - \$3,123 under budget

2008 Annual Meeting Report
for 2007 Fiscal Year-End

1. Operating - \$13,731
2. Res. Money Market - \$19,886
3. Reserve - \$53,044
4. Overall - \$23,370 under budget

Year-to-Date as of May 31, 2007

1. Operating - \$21,305
2. Res. Money Market - \$19,417
3. Reserve - \$62,058
4. Overall - \$8,504 under budget

Year-to-Date as of May 31, 2008

1. Operating - \$5,786
2. Res. Money Market - \$20,049
3. Reserve - \$53,839
4. Overall - \$865 over budget

D. Real Estate Report

Peter Schutz said the real estate market experienced an overall gain over the past couple of years. Keystone properties are leading in appreciation within the County. He said there was a strong market for values up to \$750,000 with very little inventory available.

V. MANAGEMENT REPORT

A. Completed Projects

1. Boiler was inspected and the hot water heater was flushed.
2. Sprayed the trees against pine beetles.
3. Renewed the Association's insurance with a savings of about \$2,000 in premiums.
4. Cleaned unit dryer vent ducts.
5. Completed annual fireplace inspections and chimney cleaning.
6. The complex was re-keyed.
7. Windows were washed.
8. Subfloors were waterproofed and carpet was replaced in front of B Building hallways and B Building back decks.
9. Stained back decks of C and D Building units.

10. Installed new hot tub cover and carpet.
11. Replaced siding at hot tub area (interior) and replaced rotten structural boards.
12. Remodeled the hot tub area bathroom.

B. Discussion Items

1. Hot Tub – The hot tub area repairs are nearing completion. Some structural issues had to be addressed along with cosmetic improvements. The cedar boards were replaced with a product that is supposed to not weather as bad as wood. The material and installation is more expensive but it is stable and pre-stained.
2. The complex will be re-keyed in 2009.

VI. OLD BUSINESS

A. Bike Rack

Bikes are often stored in common areas and hallways. Kevin Lovett said a bike rack would be installed to the left of the hot tub gate. John Crowell reported that he tags locked up bikes with an enforcement sticker and they usually are removed right away. The general consensus was that a bike rack was needed. The cost for a heavy-duty aluminum bike rack that stores twelve bikes is approximately \$500 - \$700.

B. Keystone Mountain House

There have been work sessions and all Commissioners have been in favor of allowing a couple of high-rise buildings in the Mountain House base area instead of spreading out the buildings. There have been concerns regarding how they will affect views but overall the project will improve the area. Keystone is trying to figure out how to meet the employee housing requirements. Property Management will keep homeowners informed. The project would be completed over ten to fifteen years.

C. Dog Bag Stations

Homeowners are using the newly installed dog bag stations.

VII. NEW BUSINESS

A. Recycling

Kevin Lovett said there was enough room behind the dumpster to add recycling containers. The dumpster will need to be slightly modified and an opening provided on the south side of the existing enclosure installed so containers can be accessed easily at an estimated cost of about \$2,000. It was noted that with this proposed modification, no roof enclosure to the existing structure would be necessary.

B. Drainage Area

Kevin Lovett said there has been ice build up at the entryway going into the far northwest side. He said he was planning to install a system similar to the one on the far north end of C Building along with some heat tape to drain water away. The Board has reviewed the proposed system and directed Kevin to continue with obtaining pricing for the work.

C. Reserve Budget

Mike Pederson briefly reviewed the Reserve Budget spreadsheet. He reported that a major upcoming project was repainting three buildings at an estimated cost of \$70,000. He asked Kevin Lovett to update the sheet with an accurate bid. He said the Board was planning to move this project out a couple of years and to get bids for touch up painting around the door frames and baseboards. Mike Black said it would not make sense to paint the building now if siding has to be replaced in a couple of years. The siding on the front side remains in very good condition and would not necessarily require replacement. The Board will see how the newly installed cementitious board in the hot tub area holds up. It is hoped that the hot tub pumps for \$3,600 will not need to be replaced this year.

D. Parking

It was discussed that occasionally there is not enough parking and additionally that cars are often parked illegally in the lot. It was noted that the insufficient parking was mainly occurring when large snow amounts were taking up parking spaces. It was also noted that a good portion of the illegal parking was occurring after 5pm as overflow Snake River Saloon parking. John Crowel has a process of tagging vehicles which works fairly well but, until moved or towed, the vehicles take up parking spaces. A homeowner recommended installing additional "No Parking" signage. Mike Black asked if there were any restrictions or ordinances regarding "No Parking" signs and towing notifications and Peter Schutz said there were not. Additional no parking / notice of towing signs will be installed. It is anticipated that the increased signage will help deter the unauthorized parking. The tagging of unauthorized parked vehicles will continue. It was also discussed that even though the signs may deter, it is difficult to enforce the no parking policy, especially after hours. It was discussed that parking permits for owners and guests have been used to a greater degree in the past but now has become very lax. The parking permit process is to be reinstated. Kevin Lovett will place six permits in each unit. He will also scan the parking permit and it will be available as a download on the website. Owners are asked to notify their management companies to use the parking permit process.

E. Delinquent Homeowners

All dues are current and there were no delinquent homeowners.

F. Internet

Overall, the internet connection has been working well. Kevin Lovett said the Association only pays \$10/unit/month due to the favorable original contract that

was negotiated compared to the current standard rate of \$17 or \$18 per month. The \$10 contract rate is effective for as long as the Association keeps the current service. The contract is indefinite.

G. Property Management

The Board and owners recognized the management team for their efforts and good communication.

VIII. ELECTION OF BOARD OF DIRECTORS

The terms of Kevin Donofrio and Fred Davison expired this year. Ballots were sent to all owners prior to the meeting. The ballots were tallied and the two candidates were re-elected.

IX. NEXT MEETING DATE

The next Annual Meeting will be held on Saturday, June 27, 2009.

X. ADJOURNMENT

A motion was made to adjourn the meeting at 10:22 a.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Approval