

**CINNAMON RIDGE III CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
July 11, 2009**

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	Mike Pederson, Treasurer, B101
Kevin Donofrio, Director, C112	Fredrick Davison, Director, C3, B302

Homeowners Present Were:

Sandra Pederson, B101	Rodrick Tettero, B204
Bob Tomsy, B203	Michael Preble, C212
Max Bruce, B202	Helen Schendl, D223

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Kevin Curry. Kim Schiffmacher of Summit Management Resources was recording secretary.

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

II. VERIFICATION OF NOTICE

Notice of the meeting was sent June 11, 2009 in accordance with the Bylaws.

III. APPROVAL OF PREVIOUS MEETING MINUTES

A motion was made to approve the minutes of the June 28, 2008 Homeowner Meeting as presented. The motion was seconded and carried.

IV. FINANCIAL REPORT

A. 2008 Year-End Financial Report

As of December 31, 2008 the Association had an Operating balance of \$25,956 with \$20,254 in the Reserve money market account and \$40,307 in the Reserve account.

The December 2008 Profit and Loss statement reflected that the Association ended the year \$600 under budget in the Operating account.

B. 2009 Year-to-Date Financial Report

As of June 30, 2009 the Association had an Operating balance of \$19,309 with \$19,734 in the Reserve money market account and \$44,262 in the Reserve account.

The June 30, 2009 Profit and Loss statement reflected that the Association was \$10,544 under budget in the Operating account. The Utilities and Spa Repair accounts were the leading contributors to the savings.

C. *2008 vs. 2009 Balance Comparison*

Kevin Lovett provided a comparison of the financial position for 2008 vs. 2009:

2009 Annual Meeting Report

1. Operating - \$25,596
2. Res. Money Market - \$20,255
3. Reserve - \$49,307
4. Overall - \$600 under budget

2008 Annual Meeting Report

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 June 30, 2009

1. Operating - \$19,309
2. Res. Money Market - \$19,734
3. Reserve - \$44,262
4. Overall - \$10,544 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

V. **MANAGEMENT REPORT**

A. *Completed Projects*

1. Boiler was inspected and the hot water heater was flushed.
2. Trees were sprayed against pine beetles.
3. Association insurance was renewed.
4. Cleaned unit dryer vent ducts.
5. Completed annual fireplace inspections and chimney cleaning.
6. Washed exterior windows.
7. Parking Lot was crack sealed and striped. Summit Resort Group has a crack sealing device and does the work with in house labor for a cost savings to the Association.
8. Added mulch.
9. "No Parking" signs added. The Board thanked the homeowners for helping to patrol the lot during the busy seasons.

B. *Capital Projects*

1. B Building water filter installed. It currently has a cracked lid which will be repaired shortly. In the meantime, Kevin Curry is monitoring it to make sure that there is adequate water for showers, etc.
2. Recycling was added in the dumpster area
3. Ground drain and gutter/heat tape system were installed at B Building north entry
4. Bike rack was installed

5. Stair nosings were installed on six treads as a test. The installation of the nosings were a proactive measure to prolong the life of the stair treads. So far, the test nosings have been a success and more will be installed today
6. The mountain sides of the buildings were stained in order to protect and prolong the life of the siding. The siding will need to be replaced eventually, but the decision on the material has yet to be made. The hot tub room was sided with Hardiplank as a test. So far it has held up well. It has also stood up well on the C Building gables and there is very little visual difference between it and the cedar siding. Cracked boards were replaced.

C. Parking Passes

Owners were reminded to display their parking passes in the car window and to ask their guests to do the same.

D. Rekeying

The entire complex will be rekeyed in the fall of 2009. New keys will be mailed to all owners in October. Owners were asked to return their old keys as they can be recycled. Owners who rent with other management companies should contact Summit Resort Group to make arrangements for providing the new keys to their management company.

E. Spas

The spas will not be cable locked at night this summer as a cost saving measure. Owners will still need a key to access the spas.

Kevin Donofrio asked if the lock was on a timer. At this time there is not a timer. There have not been any problems during the summer or shoulder season. The hot tubs will be locked down again during the winter season.

VI. NEW BUSINESS

A. B Building Fireplace Conversion to Gas

Fred Davison provided a history of the fireplaces. At this point all the fireplaces in C and D Buildings are gas and ten of the twelve in B Building are still wood burning. When the Board first looked into this conversion about ten years ago it was not possible to get gas to those units without major expense due to the location of the fireplaces within the buildings. Additionally, they could not find anyone to do it. The technology has changed and it is now possible to run flexible piping through the flues. The Board would like to be proactive in this matter as the change from wood to gas fireplaces is being mandated in some areas and it will likely be less expensive to do it before it becomes law. It is now being required in some areas for safety reasons, especially in rental units. The major issue is the disposal of the ashes.

The Board will be sending out a survey to the ten units which currently have wood burning fireplaces to determine their level of interest. The Board has obtained prices for getting the gas to the units and for various types of inserts. The Association would be involved in getting the gas to the units and the individual owners would be responsible for the inserts. Once the Board sees what kind of interest there is they will ask the installer if it is possible to only run the lines to some units and not others

An owner asked if the Board had a cost estimate. The cost of the infrastructure will be about \$10,000. The cost of the inserts ranges from about \$2,500 - \$5,000 depending on the model.

An owner asks if there would be an insurance savings if all the units converted to gas. At the moment there is not, but there might be in the future.

Peter Schutz mentioned there was a new law that requires all rental units with gas appliances to have a carbon monoxide detector within 15 feet of each bedroom.

B. Framing Deflection Issues in D Building

There is a problem with deflection and compression of support framing members in the D Building crawl space. An attempt was made to do some stabilization under Unit 223 last year but there are additional conditions that need attention. The Board has retained Randy Hodges, Architects, to investigate this issue further and to develop a plan. It will involve some maintenance work in the crawl space, around the fireplaces and repairs to the cracked drywall.

This work will necessitate a Special Assessment. At this time the Board does not know the exact amount as they are still in the process of getting proposals. They estimate it will be in the \$1,000/unit range. They would like to set it up as two payments spread out over a three month period. Mike Pederson stated that they have tabled other projects in order to absorb as much of the cost as possible.

This is only the third Special Assessment the Board has considered. The other Assessments were for the different railing design on the decks and for the upper hot tub. This Special Assessment is being levied in order to maintain the Replacement Fund balance. There are adequate funds to make payments for this work but it would deplete the Replacement Fund balance by about 50%. Mike Preble asked if the Board had given any thought to spreading out the assessment over more than three months. The Board said this could be discussed.

B Building was built by a different contractor and thus far any similar problems have not been observed. The Board considered going back to the builder but he is no longer in business; additionally, it is outside of the statute of limitations. Deflection problems have not been observed in Building C although it will be investigated if it has similar framing condition as Building D.

Helen Schendl said the drywall cracking and door clearance margin in her unit has been there since she purchased the unit, but it has not gotten any worse.

C. Miscellaneous Items

Roderick Tettero asked about the status of the Mountain House redevelopment. It is on hold for at least several years, depending on the economy

Helen Schendl said the indoor/outdoor carpet was looking pretty worn. Mike Pederson said it was on the capital plan for 2013

Mike Pederson noted that the beavers have returned.

An owner asked about the discoloration of the roof on B Building. Fred Davison said the Board received bids to prime and repaint it. Mike Pederson is investigating different primers and paint. The cost of a new roof would be approximately \$60,000. Re-priming and painting can extend the life of the roof by up to ten years. Before the roof is repainted it will be inspected and any holes will be repaired

Mike Preble volunteered to help with repairing or fixing the internet routers. His needs to be reset almost weekly. The most likely cause is a bad router. Kevin Lovett said there was not a contract for the routers and repairs are done on a cost plus materials basis. Last time work was done the cost was approximately \$700

Helen Schendl asked who provides the cable and if it would be possible to have a list of cable channels. Comcast is the provider and Kevin Curry will provide a cable channel card to her as well as to any other unit which needs it.

An owner asked who she should contact to get HBO. Kevin Lovett said he could provide the contact information for Comcast. She will be charged for the difference between the basic service provided by the Association and her upgraded service.

An owner stated that the recycling has worked much better than expected but the bins often fill with snow in the winter. He suggested adding some type of roof. Mike Black said the Board would look into it.

Mike Pederson stated that some owners have reported problems with excessive heat in their units even when the thermostat is off. Gas is a major expense and

owners experiencing heat issues should contact Kevin Lovett. Replacement of the zone valves often remedies the problem.

VII. ELECTION OF BOARD OF DIRECTORS

The terms of Mike Pederson and Larry Glover expired this year. Ballots were sent to all owners prior to the meeting. The ballots were tallied and the two candidates were re-elected.

VIII. SET NEXT MEETING DATE

The next Annual Meeting will be held on Saturday, July 10, 2010.

IX. OPEN DISCUSSION

Peter Schutz stated that real estate values were relatively stable, but obtaining a loan on second homes can present challenges. Inventory is staying relatively stable. Thus far this year there have been 350 transactions.

The Board thanked Kevin Lovett, Kevin Curry and Peter Schutz as well as everyone at Summit Resort Group for all their great work

An owner stated that the renters in Unit 102 have a gas grill and also drop their cigarette butts everywhere. Kevin Curry will look into the matter and take care of the problem. Owners were reminded that gas grills are not allowed.

X. ADJOURNMENT

A motion was made to adjourn the meeting at 10:35 a.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Approval