

CEDAR LODGE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
November 4, 2006

The meeting was called to order by at 10:00 am. Board members present were Mel Walden, Anthony Oliveira, Bruce Rindahl and Steve Konecny. A quorum was present. Kevin Lovett was present on behalf of Summit Resort Group.

- I. The first item of business was the review of the September 16, 2006 board meeting minutes. A motion was made by Bruce Rindahl to approve the minutes as written, 2nd by Mel Walden. The motion passed.
- II. Kevin Lovett reported on September 30, 2006 close financials. September 30, 2006 close financials report that we have \$5738.23 in Operating and \$40330.11 in Reserves. September 30, 2006 Profit and Loss statement reports that we are \$3617 under budget in operating expenses. This underage is mainly due to savings in Utilities, Repairs and Maintenance, Rec Room and Hot tub, and Legal and Accounting. Reserve Contribution – we have recovered from our cash flow short fall (as planned) and have caught up on all reserve contributions. Cash position, cash flow- Maxine and I have discussed cash flow and the fact that we are in a trend where we struggle with cash flow (particularly at the beginning of the year). This struggle is mainly caused by the big insurance payment that we are hit with in December. Maxine has created a “prepaid insurance” account in which insurance payments will be placed monthly until the annual insurance bill hits (this will be tracked on the balance sheet). The monthly expense is shown on the attached proposed operating budgets. As of September close, I see that we are approx. \$3k under budget in operating expenses. If this trend continues, we should beat budget and have an “operating surplus” which we can make a resolution (after December 06 close financials) to retain in the operating account in efforts to better our cash flow. The combination of the two should put us ahead of the game.

Proposed operating budget 2007- Two versions of a proposed operating budget are attached; one proposes a 4% dues increase and includes \$1600 for an audit / review and the second proposes a 2.5% dues increase and does not include funding for an audit / review. Both work with the same Capital Projects budget which has been revised (please note that the re-siding allocation has been removed, and the gutter / heat tape allocation has been moved to R & M). Discussion followed of both the proposed operating budget and Capital budget. The following revisions were requested:

- Make statement with asterisk on operating budget that Insurance is “prepaid”.
- Move Audit expense from operating to Reserves.
- Remove “telephone: and Special projects account line items from the budget.
- Move the \$3000 allocated for hallway painting to 2009; place \$2000 into year 2008 for new clubhouse furniture; decrease the hot tub allocation in year 2007 to \$500; create sub-account for the back of building landscaping and place \$1000 in the line item for 2007.
- Board moves to approve budget with 3.5% increase to dues; Kevin Lovett to draft letter of dues increase notification to owners, send to board and with board approval send out to owners along with budget draft. Highlights of letter should include boards plan to look out for owners best interest, maintaining and increasing reserves to avoid large special assessments, 3.5% increase is standard with cost of living increase and that the board will continue to monitor the financial situation for owners.

- IV. Kevin Lovett presented the Managing Agents Report as follows:

Report items

- Internet – the town of Frisco states that we are permitted to use any internet signals we can connect to that are supplied by the town (the town has a broadcaster located at the town historic park and the Chambers Bldg. (probably where Cedar lodge gets the signal);

of course, the signals are not guaranteed. Comcast has given us a bid of \$8.50 per unit per month for the high speed wireless internet service. This equals a monthly expense of \$357 or \$4284 for the year. We would also incur initial set up fees of approx. \$2500 - \$3000. Bruce Rindahl will look into this item further.

-Thermostat work – Tom Hill has provided the following bids:

1. Install a manual thermostat heat / cool/ auto with lock box and manual 30 minute override timer = \$375. 00 (this is for one)
2. Install programmable remote sensing thermostat heat / cool / auto and manual override = \$685 (this is for one)

Breckenridge Mechanical and I have discussed and they have given us the following verbal bids to do the same:

1. \$395
2. \$700

Tom Hill has the most knowledge of the HVAC system at Cedar Lodge of anyone in the county. I would not be comfortable giving this work to any contractor other than Tom Hill. Mel Walden has come up with a possible alternative plan and will look into further.

-Friction burn in carpet – we have called Mtn. Pride cleaning and restoration to address the “white line” in the carpet. These lines were caused by someone dragging an item through the hallway; this has created a “friction” burn that is not removable. This will be permanent.

-Bush in front of elevator lobby window – to be replaced this spring

Pending Projects

- Audit / review 2007 (after 2006 close)
Audit and tax return, \$1800 (annual tax returns are \$350)
Review and tax return, \$1400 (annual tax returns are \$350)
Audit was approved; Kevin Lovett to turn in acceptance form to CPA and send a copy to Steve Konecny.

V. Old Business

-Bylaw review – The current Bylaws call for the Annual meeting to be held in January; I have discussed this with the attorney and the board can amend this Bylaw at a board meeting with a simple amendment (the board has the authority to amend bylaws at any board meeting as long as they do not conflict the dec's). Please see the attached bylaw amendment. The Board has the authority to also create house rules and amend the house rules they have created; however, if the owners (generally at an annual meeting) create the house rules (or a portion of them) then the owners themselves must amend them. Steve Konecny moved to accept the proposed amendment to change the annual meeting date to the months of May, June or July, Bruce Rindahl seconded and the bylaw amendment was approved.

- Possible Projects

-Dumpster move – I have investigated the property for a new location for the dumpster and have talked with the town on requirements for location and a possible dumpster enclosure:

Possible locations

- The other end of the alley (on the corner of 1st and the alley)– Town of Frisco does not want to see it located here.
- Front of complex (sitting on / over middle landscape area bushes and rock drain) – this is a possibility (we would have to submit plans to Town and we would be required to build a dumpster enclosure here- approx. expense of \$12k).

Possibility of building a roof over existing dumpster location- we will need to get plans drawn up and present them to the Town planning dept. We may be required to build a full enclosure; however, town set back may prevent this from happening. We need to start with formal plans and present to Town.

Kevin Lovett was instructed to approach the Association behind Cedar Lodge to see if they would be interested in Cedar Lodge sharing their dumpster for a monthly fee. Kevin Lovett was instructed to ask the Town of Frisco if the Cedar Lodge dumpster were removed, would we be permitted to put it back in place should an agreement between Cedar Lodge and the Association behind Cedar Lodge fall through since Cedar Lodge is grandfathered in for placement of the dumpster on Town of Frisco right of way.

-Lobby remodel – rough bid to turn into storage lockers- I have discussed this project with Legend Home Improvement, a local competitive contractor, and they state that we should set aside approx. \$8k to convert the lobby office area into a 10 x 10 storage area. We will need plans drawn (professionally) and permits pulled – this will need to occur before formal bids are obtained. Anthony Oliveira will draw up plans and look into further.

-Tree and bush plantings in back alley – I have called Sunrise landscaping to investigate and bid the planting of trees and bushes in the back alley. They recommend bushes over trees as we are working in a very close area to the building and we will have root problems once the trees grow. Bushes are a possibility. However, we will need to irrigate. We could set up a “temporary” irrigation system which is simply a few hoses and some heads – approx. \$500. We will also need to add top soil to the areas receiving bushes (the soil currently in place is “tough” and rocky). The cost of the top soil would be dependant on the number of bushes planted. Recommended bushes include
Lilac - \$200 for a 3.5 – 5. 5 ft tall and 4 ft wide bush
Choke Cherry - \$50 for a 6 ft tall bush
Anthony and Bruce will look into further.

-Faux stone installed on the concrete portions of the building. I have received the attached bid of \$22,646 for materials only – we are looking at approx. \$17 per sf for labor (approx. \$69K). Total of approx. \$91 k.
Due to the cost of the project, this item has been tabled.

-Front of complex, lawn in between drives:

We have received the following rough cost estimates to install irrigation:

- Saw cut asphalt to lay irrigation from west side to the area = \$350
- Lay irrigation and install heads = \$850
- Asphalt patch = \$350
- Total = \$1550

We have received the following rough cost estimate to “xeriscape” this area:

- Prep area (rototill existing grass and remove) = \$300
- Extend rock border = \$250 (materials and labor)
- Add mulch = \$400
- Add bushes = approx. \$800 (depending on bush additions)

One way to approach this may be to complete the prep work, do the rock border and add mulch next spring, then add bushes over subsequent years. The cost will obviously vary on bushes depending on the desired bushes to be installed.

We will need to set up temporary irrigation to the bushes until they are established.

Anthony and Bruce will look into this project further.

-Senate Bill 100 / 89 – The revised SB -100 policies, in accordance with SB -89 requirements, were presented and approved by the Board.

VI. New Business

Lock in- an unidentified renter interrupted the meeting to state that he had been “locked in” the clubhouse one evening. Kevin Lovett was instructed to install a sign in the clubhouse stating “Call Summit Resort Group Property Management at 970-468-9137 should you need service”. Kevin Lovett was also instructed to modify the clubhouse deadbolt to install a lever to release the deadbolt from the inside.

Front door lock – Kevin Lovett instructed to get pricing info to install a punch code lock on the front door.

Roof top heaters – Mel Walden reported that it did not appear that the roof top heaters were responding to the thermostats; Kevin Lovett will contact Tom Hill to investigate.

Stairwell painting – Kevin Lovett instructed to obtain bids for painting of the common area stairwells and to have project done during the slow month of January in efforts to get the best price.

VII. Next meeting date – Kevin Lovett instructed to poll the board on the next meeting date tentatively planned for one Saturday in January.

VIII. Adjournment- the meeting adjourned at 1:20 pm.