

**CINNAMON RIDGE III CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
October 20, 2010**

I. CALL TO ORDER

Mike Black called the meeting to order at 6:05 p.m.

Board members Mike black, Fred Davison, Kevin Donofrio and Mike Pederson attended via telephone. Kevin Lovett and Deb Borel were present on behalf of Summit Resort Group and Peter Schutz attended by phone.

II. OWNERS FORUM

The meeting notice was posted on the website. Aside from Board members, there were no owners participating in the meeting.

III. APPROVE PREVIOUS MEETING MINUTES

The minutes from the April 17, 2010 Board meeting were reviewed. Fred Davison made a motion to approve the minutes of the April 17, 2010 Board Meeting; Mike Pederson seconds and the motion passes.

IV. FINANCIAL REVIEW

Kevin Lovett gave the following financial summary:

Financial Report as of September 30, 2010

September 30, 2010 close financials report that we have \$36,395.50 in operating, \$19,948.20 in the Reserve Money Market Account and \$34,255.61 in the Reserve Account.

September 30, 2010 Profit and Loss statement reports that we close September 2010 \$5789.70 under budget in operating expenses year to date.

Areas of significant overage in year to date expenses include:

6155 Site manager hours \$1938.75

200 Grounds maint \$892 over

500 hot tubs \$1434 over

6215 Internet \$1208.72 over

Budgeted expense for internet of \$512 per month; actual \$612 per month

Contract with RI is for TV and Internet at \$1530 per month; plus

tax of \$5.65 per month

Budgeted expense for cable TV is \$1018 per month; actual is \$923.65

Looking at "total" of both accounts YTD

\$13,770 budgeted vs \$15,100 actual (total \$1330.92 over)

\$1330.92 overage

\$50.85 tax

\$1280.07 is Comcast monthly fee for January (double service to endure some service during transition)

6230 Electric \$940.38 over, XCEL rate increase
6235 Upper Spa electric \$911.19 over, XCEL rate increase
6330 Grounds Maint \$1372 over (\$465 of mulch to repair areas from concrete work)

Areas of significant underage include:

6240 Gas \$2445 under
6255 Contingency \$5136 under
6360 Snow Removal \$971 under
6740 Upper spa R & M \$1375 under
6670 R & M \$2526.90 under

SRG was instructed to reclassify the 8/26/10 B Vailable payment of \$392.50 from the operating account to the reserve account as this work was completed in conjunction with the concrete capital project.

Details of account 6155, Site Manager Hours, were presented and discussed. SRG will work to provide improved tracking of work specific details of site manager tasks completed in efforts to identify possible areas of improved efficiency.

Projected year end 2010 close

SRG presented a spreadsheet calculating projected year end revenues and expenses. Based on projections, a surplus of approximately \$8,110 was projected (barring the unforeseen).

Preliminary Budget 2011

SRG presented revenue and expense projections for 2011. Overall, no increase to dues is proposed.

Areas of change from 2010 budget to 2011 preliminary budget were reviewed as follows:

3035 Interest Income – decrease \$68 (based on actual interest earned)
6215 Internet – Increase \$1200 (based on internet /cable TV agreement)
6060 Board expense – increase \$100 (based on actuals)
6065 Annual Meeting expense – Increase - \$100; Board agreed to keep annual meeting expense projection at same rate as 2010 budget; no increase to this line item from 2010.
6100 Management fees – increase \$528; Board requested SRG email them the current management agreement.
6110 Office supplies – decrease \$120 (based on actuals)
6210 TV – decrease \$1128 (based on internet / cable TV contract)
6230 Common Area Electric – increase \$1324 (based on rate increase and usage increase associated with satellite TV equipment); Board requested SRG add projection for additional usage associated with the new heat tape to be installed on the C bldg.
6235 Upper spa Electric – increase \$922
6240 Gas – decrease \$1468

6245 Lower Spa Gas – decrease \$159
6255 Contingency – decrease \$3362
6330 Grounds Maint – increase \$500
6400 Trash removal - \$250 increase
6430 Window Washing - \$200 decrease
6830 Insurance - \$1128 increase

SRG will complete changes discussed and email to the Board. The Board agreed to revisit the 2011 Budget in early December via, once November financials are closed.

V. MANAGING AGENT’S REPORT

Kevin Lovett presented the following managing agents report:

Completed Items

Signage added at hot tub area
Dryer vent “Fall’ cleaning – the process and effectiveness of the dryer vent cleaning completed by SRG was discussed. Kevin Lovett will follow up on details of cleaning process (specifically, is vacuum hose system created by Larry Glover being used). SRG will also receive a bid from a professional duct cleaning company to clean all unit dryer vents. SRG will also hire the professional duct cleaning company to complete the cleaning of units 101 and 102 to see what is pulled out. One idea proposed was to have the dryer vent ducts cleaned professionally every 2 to 3 years and have SRG clean them on “in-between” years.
Caulking, EFIS fix by 312
Loose siding reattach

Report Items

Winterization, Snow plowing 2010-11- The irrigation system winterized, snow plow contractor (same as last year) retained

Internet and TV Service – Resort Internet has improved signals and service to both; reports from renters and owners are that systems have improved

Hot Tub Schedule - one tub running until December 1.
December 1, nightly lock up will start up again

Fireplace, fire security and fire sprinkler system inspections
Fireplace (wood and gas) scheduled for Friday Oct 29
Fire security – complete, minor repairs
Fire Sprinkler – scheduled for inspection Oct 19/ 20

B104 window – Mountain side, bedroom window (one sash of 3 window system) not closing properly. A handyman has completed an adjustment on the window and it is once again closing properly. The Board discussed the possible causes of the window not properly closing; should additional work or even replacement become necessary, the

Board will investigate to determine responsibility. Owners are required to complete upkeep on wood window frames to include proper polyurethane applications; lack of maintenance by owners will cause window failure. SRG will check all unit windows and list those that are in need of polyurethane applications and will notify the unit owners that they must complete this. In the next seasonal reminder mailer from the HOA, a reminder of this will be added. Mike Pederson has polyurethane product information and the color match.

VI. OLD BUSINESS

A. Concrete Project – The concrete project to include the replacement of the walkway in front of the C and D buildings, the installation of a new handicap ramp at the C building and the installation of a new concrete stem wall is complete. Concrete pads in the covered walkway of the C building were also replaced as needed. SRG will have yellow cross hatch safety stripes painted on the walkway near the handicap access ramp. A possible project for the 2011 owner work day is to paint the new concrete stem wall using an elastomeric paint; grey was noted as the preferred color as it will be more forgiving if it peels overtime.

B. C bldg gutter, heat tape, downspout and snow bar installation – Ma Green to complete within next 2 weeks.

C. Carpet and stair treads

Carpet nosing treads – have been ordered, shipment delayed, should be in next 2 weeks. SRG will install ASAP.

Stair nosings – upon review of cost estimates, SRG was instructed to purchase the stair treads necessary to complete the installation of the B and C buildings.

VII. NEW BUSINESS

A. Board of Directors position vacancy

Larry Glover has resigned from the Board of Directors with the sale of his unit. The Association Bylaws direct the Board to fill the vacant position. SRG and Mike Black will work to draft a mailer to all owners soliciting interest in the vacant Board position. If interested, owners are to submit a personal biography.

B. 2011 Capital Projects

The Capital Projects plan and projects slated for upcoming years was reviewed; the following adjustments / notes were made:

C and D bldg carpet; moved to 2013 (the addition of carpet stair nosing edges addresses immediate concerns and should prolong the life of the carpet)

C and D bituthane underlayment; moved to 2013

Hot tub pumps; SRG will reduce the allocation for hot tub pump replacement Saflock; moved out to 2012

D bldg hot water heater; still planned for 2011; SRG will work with Hilco to determine optimal replacement heater, availability (lead time on ordering) and cost.

Irrigation/ landscaping; still budgeted for 2011. SRG and Mike Pederson will look at options to improve the front berm area as well as irrigation install options in Spring of 2011.

Lower hot tub shell; SRG will move to 2014; the actual steel shell is in good shape. The interior boards may need repair/ replacement; SRG will investigate board repair/ replacement options as well as alternate mechanisms for fastening the boards (hot tub users tend to unscrew the existing fasteners).

SRG will make the above revisions and email to the revised plan to the Board.

C. Unit D124 unit repair request

The owner of unit D124 has submitted a written request for items to be repaired in his unit to include flooring, subflooring, trim and door repairs to the hallway and guest bathroom as a result of a home inspection completed on behalf of a potential buyer of unit D124 stating the problem was caused by a common element. Board member Mike Pederson is the potential buyer and he recused himself from the discussions and no longer participated in the meeting. The contractor that completed the framing deflection repairs in the crawl space this past Spring has inspected the unit conditions. The contractor confirmed that the building is structurally sound through the framing work completed and the unevenness of the flooring in the hallway and guest bath area in unit D 124 is a cosmetic result of residual conditions that have been repaired with proper blocking installations and framing corrections in the crawl space. The Board reviewed the Association Declarations to determine the definition of common area vs unit as well as maintenance responsibility. Section 1.11(d), the main or bearing subflooring is considered a common element; further, section 1.19 states that the interior unfinished surface of the flooring makes up the physical boundary of the unit thus it and any finish flooring product are the maintenance responsibility of the unit owner. Upon review, the Board agreed to contribute \$1000 towards leveling efforts of the areas of subfloor identified by the Home Inspector to be uneven. The Cinnamon Ridge III Association will not be responsible for removal, repair or replacement of any finish flooring in the unit nor any further unit interior improvements.

VIII. SET NEXT MEETING DATE

The Board will review the 2011 Budget via email in the early part of December. The next official Board meeting will be held on Saturday January 8, 2010 at 9:00 am

IX. ADJOURNMENT

With no further business, the meeting was adjourned at 8:40 pm

Approved By: _____

Board Member Signature

Date: _____