

**CINNAMON RIDGE III CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
April 14, 2007**

I. CALL TO ORDER

Mike Black called the meeting to order at 9:15 a.m.

Board members present were Mike Pederson and Ray Yelle. Fred Davison, Larry Glover and Mike Black participated via teleconference.

Representing Summit Resort Group were Kevin Lovett and Peter Schutz. Erika Krainz of Summit Management Resources was recording secretary.

II. OWNERS FORUM

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

III. EXECUTIVE SESSION

The Board adjourned to Executive Session at 9:20 a.m. and resumed the regular meeting at 9:35 a.m.

IV. APPROVE PREVIOUS MEETING MINUTES

Ray Yelle made a motion to approve the minutes of the January 20, 2007 Board Meeting as presented. Larry Glover seconded and the motion carried unanimously.

V. FINANCIAL REVIEW

A. Year-to-Date Review

As of March 31, 2007 the Association had \$17,448 in Operating, \$19,264 in the Reserve Money Market and \$61,853 in the Reserve Account.

The March P&L indicated the Association was \$3,911 under budget in Operating due to savings in the Electric, Gas, Snow Removal and Contingency Fund line items.

The transfer of the \$7,363 Operating surplus from 2006 was completed and is indicated in a new line item.

The Operating, Reserve and Money Market accounts are all completely liquid, earning 5.14% interest. Kevin Lovett has shopped rates for CD's but has not found any vehicle with a higher rate than the current return.

Reserve account budget figures will be added to the 2007 Financial Report after capital projects and costs are determined at this meeting.

Kevin Lovett will work with Maxine on the missing budget figures on the Replacement P&L.

Kevin reviewed the revised Capital Projects Budget for 2007. The proposed projects will increase overall expenses by \$11,928.

1. Snow Bars - \$4,680 increase to include the front of the B Building and B Building back decks.
2. B Building Front Hall Carpet - \$287 increase for Farnsworth carpet.
3. B Building Back Deck Carpet - \$837 increase for Farnsworth carpet.
4. Hot Tub Carpet - \$24 increase for Farnsworth carpet.
5. Deck Staining - \$3,900 decrease per SRG estimate for C and D Buildings.
6. Bithuthane Repair - \$7,000 increase per bid.
7. Subfloor Repair - \$3,000 increase for subfloor repairs at all new carpet areas.

VI. MANAGING AGENT'S REPORT

A. Completed Items

1. Replaced carpet corner coverings at hot tub.
2. Fireplaces were cleaned and inspected. All owner repairs have been completed.
3. Replaced wooden supports with steel unistrut supports on the water line manifolds.
4. Posted and mailed back deck responsibility policy.
5. Saflok key policy created and sent to owners.
6. Installed metal sheet security shield behind hot tub gate lock.
7. Installed sign at hot tub "Put Cover Back On After Use".

B. Pending Items

1. Repairs to concrete between Units 112 and 113.
2. Dryer vent cleaning is underway.
3. B Building boiler room floor replacement. The floor topping slab in front of the boiler is badly deteriorated and a bid of \$1,600 (from Colorado Coring and Cutting) has been received to remove and repour it. Kevin Lovett said the work could be done in-house for \$300 plus materials. He recommended completing repair of the entire floor including the area under the boiler when the boiler is replaced and installing an emergency drain pan at the same time. Mike Black asked Kevin to send him the name of the self leveling concrete he plans to use for review.
4. Spring cleanup and touch up painting around hot tub area and steps. Mike Pederson suggested using a primer before touching up to prolong the life of the paint.

5. Boiler and hot water heater inspections and flushings. Tom Hill will complete this work.
6. Shut down lower hot tub next week.

Fred Davison mentioned the concrete in front of B and C Buildings was spalling and wondered if something could be done to improve the appearance. Kevin Lovett said ideally it should be removed and replaced but this would be expensive. He thought Brian could do a less expensive patch on a time and materials basis. The Board agreed with this approach.

Larry Glover said there was a drainage problem at the west end of C Building caused by snow falling from the roof. He thought it could be remedied with a gutter with heat tape that drains down onto the rocks, and a snow bar on the roof. Kevin will get a bid and email it to the Board.

Mike Black said he looked at the flashing and roof offset on the east end of D Building. He did not see any evidence of building settlement or loosening of the flashing; it appears it was installed that way. He did not think there was a developing or ongoing failure and there does not appear to be any water intrusion in that area. He recommended watching it but putting it on the back burner.

C. Pending/Planned Capital Projects 2007

1. Carpet replacements and repairs - Kevin Lovett obtained bids for low, medium and high grade exterior carpet for the B Building front hallways, B Building back decks and hot tub area. KJM was the only contractor who actually provided bids for all three grades. They recommended medium grade Farnsworth carpeting. Carpet Direct bid only one carpet. Advantage Floors gave a bid only for their recommended carpet. All Flooring Design bid Crown Point, which is their recommended carpet, but it is not rubber backed (and is the same as the KJM lowest grade). Mike Black said he would not support installation of a product that was not rubber backed.

The Board reviewed the list of other work that would need to be done, including bithuthane, plywood replacement or repair, framing repair and flashing. The additional costs would total about \$26,648, including \$16,648 for the carpet, \$7,000 for bithuthane and \$3,000 for plywood replacement and repair. Kevin thought the hot tub area would need the most significant plywood repair.

Fred Davison suggested installing the highest grade (Endurance II) carpet in the hot tub area. Mike Black agreed this would be a good idea since it would only cost an additional \$850.

The Board reviewed the financial impact of the revisions to the project list. There is an \$8,000 net increase as compared to the January 2007 plan. The Capital Budget for 2007 is \$42,000 including roof snow bars (\$7,680), walkways (\$10,000), carpeting B Building (\$8,287), B Building Decks (\$5,337), deck staining (\$3,300), signage (\$750), hot tub carpet (\$3,024), and upper and lower tub pumps (\$1,800 each).

Fred Davison made a motion to proceed with the project as discussed, using Farnsworth carpet for the hallways and back decks and Endurance II for the hot tub area, using KJM as the contractor for the carpeting and Turner Morris for the bithuthane replacement as needed, at a cost not to exceed \$30,000. Larry Glover seconded and the motion carried.

Mike Black appointed Larry Glover to serve as the “expert consultant” for B Building deck issues. Kevin Lovett will create a schedule for the entire project. Kevin and Larry will tour the hot tub area and try to determine what subfloor and plywood repairs are needed. The Board agreed it would make sense to start the project with the hot tub area and to complete each area before moving on to the next area. Kevin will inform the owners of the schedule.

2. Deck Staining - Kevin Lovett proposed having SRG do the work at a cost not to exceed \$3,300. The Board authorized this project. Kevin will do a test area with both transparent and solid stains for comparison.
3. B Building Snow Bars – Ma Green bid for \$3,000 for three rows of snow bars on the front of the building and \$4,680 for two rows over the back decks. Larry Glover pointed out there were only two rows in the test area as recommended by the manufacturer. He thought two rows had been adequate this past winter. He also thought one row may be adequate for the south facing back roofs. He noted it would not be difficult to add more rows if needed. After further discussion, the Board agreed to install one row on the back and two on the front of B Building along the whole run of the cone area and to add more later if necessary, and to do the west area of C Building along with gutter and heat tape. Kevin Lovett will get a revised bid, to include two rows for the area over unit 101. If the revised bid comes in around \$7,000, Kevin was authorized to move ahead with the project. If the bid is higher he will confer with the Board.

VII. OLD BUSINESS

A. Property Management Contract

There is an outstanding issue relating to insurance of the management company. Mike Black said he received an email last night from Bob Strong of Farmer’s Insurance that answered the remaining questions and provided a good recap.

According to Peter Schutz, SRG is putting a new fiduciary bond in place to increase the coverage from \$50,000 to \$100,000. The Board will also increase the Association's limit to \$100,000 at cost of \$57 per year. The Board will reduce the deductible on the employee dishonesty portion of the policy only from \$5,000 to \$100. Kevin Lovett was asked to revise the management contract to accurately reflect the change in the limit to \$100,000. Peter Schutz said the revised contract was sent out yesterday.

There is also \$15 million of general liability coverage under the umbrella policy with Zurich. Fred Davison asked Kevin Lovett to send him a copy of that policy.

Ray Yelle made a motion to increase the policy limit to \$100,000 at cost of \$57 per year and to reduce the employee dishonesty deductible to \$100 at cost of \$84 per year. Mike Pederson seconded and the motion carried.

Fred Davison made a motion to renew the management contract with SRG subject to the terms as reviewed and corrections made and submitted to the Board President for his signature within the next seven days. Larry Glover seconded and the motion carried.

VIII. NEW BUSINESS

A. Annual Meeting Preparations

The Annual Meeting will be Saturday, July 7, 2007. Kevin Lovett will send a "save the date" letter to the owners with the next dues statement. A nominating sheet for the Board will be included and must be returned by May 21, 2007. The ballot will then be sent by mail on June 1, 2007 with all votes due by July 1, 2007. Mike Black will be up for reelection.

A -1. Board member Resignation

Ray Yelle announced that he will be placing his unit on the market and therefore will be leaving the board. Ray was asked to provide formal notice of his resignation to the Board via email to be effective around the beginning of May. In such a case another owner would need to be appointed to serve the remaining year in Yelle's term. Fred Davison will contact Kevin Donofrio to determine his level of interest. Mike Pederson was appointed to serve as Treasurer to replace Ray Yelle. Kevin Lovett will make arrangements to update the bank signature card and Ray and Mike will work together on the next billing cycle. Ray thought Mike Johnson may be interested in serving on the Board. The meeting notification and packet will be sent on June 7, 2007. Lunch will be provided during the meeting, with a barbecue and owner work day following the meeting.

B. Owner Work Day

Kevin Lovett and Brian will create a list of projects.

C. Noise Issues and Hard Wood Floors

Larry Glover said Unit 204 was recently sold and there has been a significant increase in the noise level. Unit 204 has wood floors. Larry thought wood floors should be prohibited on upper levels due to the noise factor. Mike Black thought the floor may have been installed improperly without adequate sound barrier system. Fred Davison did not think the Association could regulate flooring in a unit. Mike Black commented however that an owner improvement that affects the original STC (Sound Transmission Coefficient) rating of a Common Element (ie., floor or wall system) of the building construction may be in violation of the Bylaws. Kevin Lovett will review the Bylaws and communicate with the Board before taking any further action. This issue will be added to the Annual Meeting agenda.

D. Door Locks

Mike Pederson discussed options for replacing the door locks. He found a brass mechanism for \$200 – 300/each. Kevin Lovett provided information for a lock that costs \$100. Mike Black suggested doing preventative maintenance on the Safloks. Kevin will determine what is recommended by the manufacturer. Peter Schutz said the relationship with ResortQuest regarding the use of the machine was strained and added that ResortQuest is now up for sale. SRG is working on possible management of another building with the Saflok system, and if successful, might be ready to invest in the machine. He noted, however, that he was not generally a proponent of the system. Kevin is tracking all key and lock failures.

IX. SET NEXT MEETING DATE

The Annual Meeting will be Saturday, July 7, 2007 at 9:00 a.m. The next Board Meeting was set for Friday, July 6, 2007 at 4:00 p.m. at Mike Black's unit.

X. ADJOURNMENT

With no further business, the meeting was adjourned at 12:20 p.m.

Approved By: _____
Board Member Signature

Date: _____