

**CINNAMON RIDGE III CONDOMINIUM ASSOCIATION**  
**BOARD OF DIRECTORS MEETING**  
**April 8, 2006**

Board members present was Grant Hogarth. Board members participating via teleconference were Mike Black, Larry Glover and Fred Davison. Owner Mike Pederson (#101B) was also present.

Representing Summit Resort Group were Peter Schutz and Kevin Lovett. Erika Krainz transcribed the minutes from tape.

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**I. CALL TO ORDER**

Fred Davison called the meeting to order at 9:05 a.m.

Grant Hogarth's contact numbers should be changed to 970/522-0537 (work), 970/522-0538 (home) and 970/522-0536 (fax). His email is [ghogarth@kci.net](mailto:ghogarth@kci.net).

Fred Davison's second email is [freddavison@hotmail.com](mailto:freddavison@hotmail.com).

**II. APPROVE PREVIOUS MEETING MINUTES**

Fred Davison requested that the minutes be sent to the owners once the Board has reviewed and approved them via email instead of waiting to distribute after the next Board meeting three months later. They should also be posted on the website.

A correction was noted in Section III.F. last paragraph. The term "bitumen" should be changed to "bichethane".

Mike Black made a motion to approve the minutes of the January 7, 2006 Board Meeting as amended. Grant Hogarth seconded and the motion carried unanimously.

**III. FINANCIALS**

*A. Year-to-Date Review*

According to the Balance Sheet as of 3/31/06, the Association had \$3,817 in the Operating account, \$18,352 in the money market Reserve account at Alpine Bank and \$65,565 in the Reserve account at Alpine Bank.

Kevin Lovett reviewed the variances on the Profit & Loss Budget Performance as of March 31, 2006:

1. Accounting Fee - \$325 over budget
2. Audit and Tax - \$10 over budget
3. Board Expense - \$170 over budget
4. Legal Fee - \$350 over budget
5. Postage/Copies/Fax/Supplies - \$197 over budget

6. Cable TV - \$5 ahead of budget.
7. Common Area Cleaning - \$600 ahead of budget.
8. Common Area Electric - \$664 ahead of budget.
9. Upper Spa Electric - \$724 over budget.
10. Gas - \$1,549 over budget.
11. Lower Spa Gas - \$418 over budget.
12. Contingency - \$1,131 ahead of budget.
13. Grounds Maintenance - \$2,810 over budget. This was due to extensive snow shoveling this past winter, the cost of which is billed to the Association. There was general discussion about clarifying the allocation of Johnnie's time so the origin of the charges is clear to the Board. Peter Schutz will provide parameters for each of the accounts in question (Grounds Maintenance, Landscaping Labor, Snow Removal and Snow/Heavy Equipment Roof) for the Board. He will also analyze all the billed hours for the first three months of the year and provide a summary to the Board.
14. Snow Removal - \$587 over budget for snow plowing.
15. Trash Removal - \$84 ahead of budget.
16. Water - \$98 ahead of budget.
17. Sewer - \$97 ahead of budget.
18. Fire Protection - \$1,625 over budget due, to the installation of the new fire panel. Kevin was directed to reclassify the cost of the fire panel as a Reserve expense.
19. Repair and Maintenance - \$5,202 over budget. Kevin reviewed the General Ledger in order to explain the overage. Expenses included Saflok work, leak repairs, installation of the pressure regulator, boiler room parts, extra hours for Summit Resort Group, roof repairs, water shutoff and water damage repair. Kevin will email the year-to-date General Ledger detail to the Board so they can identify expenses which are to be reclassified as Reserve items. Going forward, Kevin and Peter will review all charges to this account on a monthly basis and provide the Board with a recommendation for those expenses which can be classified as Reserve expense items.
20. Spa Routine Maintenance - \$753 over budget.
21. Spa Supplies - \$187 over of budget.
22. Upper Spa R&M - \$450 ahead of budget.
23. Lower Spa R&M - \$825 ahead of budget.

Overall, the Association was \$10,437 over budget in Expenses prior to reclassification of expenses to reserve accounts. Peter Schutz pointed out it had been a tough year due to the rising energy costs and heavy snowfall. He mentioned he was meeting with a natural gas broker to determine if the volume of gas used by Cinnamon Ridge III was large enough to qualify for a fixed price contract.

#### IV. MANAGING AGENT'S REPORT

##### A. *Completed Items*

1. Fire panel was installed. Monitoring provider was switched from Apex to Allied. The contract with Apex was paid through the end of March. Kevin sent a letter terminating the contract with Apex for non-performance and he has not heard anything back, but he anticipates they may send another bill for the next quarter.
2. Saflok Key System – Spare parts are on hand and a spreadsheet tracking lock replacements has been created. No further malfunctions to report.
3. Roof repairs were made to the small entry roof on the west end of B Building.
4. Completed roof snow removal. Fred Davison said a large slab of snow came off the roof of C Building and damaged the siding. Kevin said this repair was on the pending list.

##### B. *Report Items*

1. Landscaping Design – Neils Lunceford provided a proposal for landscaping. The design proposal alone was over \$5,000 and Kevin felt the money would be better spent on the actual work rather than the design. He recommended focusing on the front berm and the gas grill areas. Irrigation should be added to the front berm. Larry Glover felt they should consider large areas of rock and mulch to minimize upkeep. It may be possible to run a hose through the drain pipe to irrigate the existing trees, but the water pressure probably would not be sufficient to support lawn irrigation. The Board discussed using a larger diameter hose to increase the flow. There is also a pump which could possibly be used to boost pressure. A Board member suggested contacting a plumber about the feasibility of running a 1" pipe from Building B through the culvert and attaching it to a protected stand, and then running the hoses off it. Fred Davison said the Board did not feel it was necessary to spend \$5,000 for a plan from Neils Lunceford and added the Board would accept and appreciate suggestions for the project from the membership regarding the design and types of flowers. The Board agreed to allow management to work on the water issue and to proceed with their proposed plan. It can be modified when they have the owner work day.
2. Common Area Gas Grill – Fred Davison walked the property with Kevin to identify possible areas for a grill. It appears the best spot would be the east side of the building for the hot tubs. It would require leveling the surface and possibly pouring a concrete slab. It might be possible to build some type of lean-to roof for protection over the grill. This would entail a building permit. Peter Schutz suggested a retractable canopy. Larry Glover pointed out a canopy or roof over the grill could be a fire hazard. The Board discussed trying a less expensive grill first to gauge the amount

of use the area would receive. Grant Hogarth made a motion to authorize Summit Resort Group to install a gas grill on the east side of the hot tub building and to expand the rock perimeter around the grill at a cost not to exceed \$1,000. The motion was seconded and carried unanimously. Peter Schutz suggested taking the plans to the Fire Chief instead of the Planning Department to facilitate the process.

3. Sidewalk Railing – The old sloping sidewalk at the west end of the C Building was removed and replaced with a stepped sidewalk. This was completed for safety reasons as the ice build-up on the ramp was a hazard. There was a question raised at the 1/7/06 Board Meeting as to whether this project violated ADA code. Due to the fact that the B and D Buildings have ADA compliant access with comparable units to the C Building units, coupled with the fact that the C Building walkway was replaced for safety concerns, the new C Building walkway will remain as constructed. The railing will be addressed once the snow melts. It will be sunk in concrete next to the walkway.
4. Snow Bar Installation B Building – Three bids were received. Kevin proposed installing snow bars in a test area before adding them in all areas. The proposed area is above the entryway to the B Building. It is about 20' wide and the contractor would install two rows of snow bars. The ABG Roofing bid was \$1,371, Turner Morris was \$3,758 and Ma Greene's bid is pending. Kevin was not sure if ABG was certified by the manufacturer to install the product; he was asked to check with the manufacturer. Fred Davison mentioned there was an area on the C Building roof that needed the same application, but it is not the same type of roof as B Building. Kevin will contact ABG and ask them to get certified if they are not already and will let the Board know once that has been completed. Larry Glover made a motion to authorize the expenditure of \$1,371.12 for ABG to install the snow bar as long as they are certified to do so. Mike Black seconded and the motion carried unanimously.
5. Fireplace Repairs – Kevin reviewed the fireplace inspection report. There were two units (303 and 201) that had dangerous conditions in their fireboxes. He sent letters to the owners. The owner of Unit 301 had the required repairs completed. Unit 201 repairs are still pending and he has sent a second notice to that owner.
6. Owner Work Day/Annual Meeting – the Annual Meeting has been scheduled for Saturday, July 8<sup>th</sup> at 9:00 a.m. in the Oro Grande meeting room. The work day is scheduled for that same day between 1:00 – 5:00 p.m. Proposed projects include painting the hot tub area and common area stairs, remulching flower beds, planting flowers and flower barrels, raking,

and cleaning all horizontal surfaces (top of door jambs, fire extinguisher boxes, etc.). The meeting notification will be sent out on June 8<sup>th</sup>.

7. Board Member Terms – Kevin provided a list of all Board members and their terms. Grant Hogarth's term expires this year and he indicated his willingness to serve another term. Larry Glover's term also expires this year. Larry indicated he would be willing to serve another term but not as Treasurer.
8. Unit 123 Gas Grill Violation – Kevin reviewed a summary of what has transpired. Unless the owner comes into compliance, the Board can file a lawsuit after April 13, 2006. Peter Schutz pointed out the Association could file a lien to collect the fine due instead of starting a lawsuit. The Association would then have the ability to foreclose on the lien if it is not paid or get a court order to have the grill removed. Kevin will ask the attorney if the owner can escrow around the lien and direct her to file the lien the day after the fines are due if they are not paid.
9. Proposed House Rules Amendment – Kevin proposed adding "Use and storage of gas and charcoal barbecue grills is prohibited" to the House Rules as previously approved at the 2005 annual meeting. As approved at the 2005 annual meeting, private gas barbecue grills, all charcoal grills and the storage of private gas grills, all charcoal grills and private propane tank use and storage is prohibited on the premises. Larry Glover made a motion to accept the wording. Grant Hogarth seconded and the motion carried unanimously.
10. Copper Pipe/Leak Problems – The Water Guy out of Denver tested the water in a couple of units and reported the water was "somewhat aggressive" due to its acidity and may be the cause of the leaks to the pipes. He did not find, however, any evidence of the water corroding the pipes. He believes it is being caused by electrolysis, i.e. two unlike metals touching. This can be remedied relatively inexpensively by adding rubber or foam at any such juncture. If the problem continues, the next step would be to install a polyphosphate injector, a filter that insulates the pipes by injecting a food grade material into the water lines. This would cost approximately \$1,500 – 2,000 per building plus ongoing maintenance fees of about \$250 every few months. Larry Glover suggested that the water heaters be checked to insure proper connections have been made to prevent electrolysis. Evaluation needs to be done by a qualified plumber.
11. Screen Door and Window Inventory – All window screens are in good condition. Unit 302 is missing their screen door. There are some extra smaller sized screen doors in inventory, but this door needs the larger size. A new screen door (\$50) has been ordered and will be installed once

received. Mike Black asked that the screens in his unit be removed and kept in inventory.

12. Hot Water Heaters – Kevin said would contact the Board with bid figures once received. The C Building hot water heater failed a few weeks ago and had to be replaced on an emergency basis as it was not repairable. The contractor believes the failure was caused by dirt in the heat exchanger. He recommended flushing the hot water heaters once or twice annually. This will be added to the routine maintenance schedule. Fred Davison suggested it might be a good idea to proactively replace the hot water heater in D Building. Fred Davison said Hillco had provided a proposal about a year ago. Hillco identified issues and suggested changing to a stainless steel tank with an external heat exchanger. Kevin will contact Tom Hill about this proposal and also get another bid for a regular hot water heater for comparison. Kevin was directed to have the D Building hot water heater flushed as soon as possible and to strain the drained water to get an idea of what is in the tank.
13. High Speed Internet – Option 1 would be individual owners sign up individually with Comcast for \$45.95/month. Option 2 would be to sign up the entire complex with Comcast, one modem per unit, at a cost of \$29.95/month (\$1,018/month total for the Association). Option 3 would be “transport only” with Comcast for \$10/unit/month plus \$10 additional/month/building after the first one (\$360/month total for the Association). It would include one modem and a distribution system to all units with broadcasters and antennae. Comcast would set up the system initially but there would not be ongoing support.

Option 4 would be a “self installed” system and SRG does not want to participate in this option.

Option 5 would be a wireless system. Initial setup fee would be around \$4,500, with an ongoing fee of \$135/month for one modem for each building. The downside is conduit would have to be run from a unit out to a deck and under a molding.

Option 6 would be through ResortInternet. It would be relatively expensive but would include full support.

Kevin felt the safest, most economical way to go would be Option 3 from Comcast. The Board asked questions about the minimum contract term and any possible service fees. Kevin said he would discuss this with Comcast and have them make a site visit to confirm this type of system would work. More information to follow for the annual meeting.

**C. Pending Items**

1. Carpet repair on step at C Building stairs.
2. Bid retrieval on EIFS repair – inspection will be done after the snow melts.
3. Paint concrete step faces safety yellow.
4. Flashing/bichethane work on Unit 302 – to be completed as weather permits.
5. Siding repairs to C Building and tighten all loose siding on all buildings.
6. Get bids for parking lot crackseal/sealcoat and striping.
7. Complete drywall repairs in D Building mechanical room – get bids for this work which needs to be done per the Fire Department.

**V. OLD BUSINESS**

**A. Insurance and Senate Bill 100**

A question was raised by the board asking, what impact the Senate Bill 100 requirements would have on the insurance rates. Kevin Lovett spoke to Bob Strong about this; Bob said he had not seen any increase in rates or increase in coverage needs. Peter Schutz said Bob had a new website with a great deal of information about the Bill and Association versus individual coverage. Peter Schutz was asked to invite Bob to attend the Annual Meeting to discuss any insurance questions members of the association may have about coverage of their policies.

**VI. NEW BUSINESS**

**A. B Building Stairwell**

Mike Pederson mentioned the stairway on B Building appeared to be leaning.

**B. Unit 201 Repairs**

Fred Davison said there were some repairs made to Unit 201, totaling about \$900. The contractor agreed to reduce the bill to \$600. Peter Schutz said \$300 was advanced by the Association and \$300 by Summit Resort Group and the issue was now settled. He is now going to send a letter to the owner to attempt to collect in full. He will provide a copy of the letter to the Board.

**C. Management Team Recognition**

Fred Davison thanked Kevin Lovett and his team for their work at the property. He said the hot tubs were the cleanest they have ever been, and they did an outstanding job dealing quickly with the C Building hot water heater issue under difficult circumstances.

**VII. SET NEXT MEETING DATE**

The next meeting will be the Annual Meeting, previously scheduled for July 8, 2006 at 9:00 a.m. The Board will schedule a conference call prior to that meeting.

**VIII. ADJOURNMENT**

With no further business, a motion was made, seconded and carried to adjourn the meeting at 12:25 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature