

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
JULY 27, 2017**

Bob Lichtenstein called the Board of Directors meeting to order at 3:42 pm, on Thursday, July 27, 2017, in unit #360. Directors present were Bob Lichtenstein, Peggy Sciotto, Katy Lichtenstein and Mike Steele. Also present was Don Werner, owner of unit #140, Jeff Bailey and Joy Dunham of Peak Resort Services, Inc. and Mike Shervin and Lillian Miller of McMahan and Associates, auditors.

Presence of a quorum was established with 100% of the Board in attendance or by Proxy.

Board reviewed the proof of meeting notice.

The minutes of the January 25, 2017, Board of Directors meeting were reviewed. **Motion made by Peggy Sciotto to approve the minutes as presented. Motion seconded and passed unanimously.**

Financial Report.

Mike Shervin and Lillian Miller presented the Financial Reports. Mike reviewed with the Board the balance sheet, statement of revenue and expenses, operating and replacement fund budget to actual statements and the financial notes. After discussion, **Motion made by Peggy Sciotto to approve the Financial Report. Motion was seconded and passed unanimously.**

Mike and Lillian departed the meeting.

Budget Proposal.

Management reviewed with the Board a report on the ten-year operating expense history for the Association and an expense line item explanation report.

Management presented an operating budget proposal of \$229,474. Management reviewed with the Board the expense line items that have changed from the prior year. The biggest change is an increase in Comcast expenses due to the conversion to "triple play" package. The completion of the condominium map for the Association and the impact on lease rates and assessments were also reviewed. Bob requested that the operating assessment decision be tabled until the replacement fund study and Capital Replacement projects are reviewed. The Board agreed.

Old Business

Management reviewed with the Board the Capital Replacement Project expenses FYE 4/30/17 report. Expenses totaled \$126,495. A \$369,091 replacement fund balance was carried forward in the Association's Replacement Fund. **Attached.**

Management reviewed with the Board the entire list of mitigation steps taken on the fire sprinkler system, over the course of the last three years, that were specified by B2CE Engineering and performed by Western States Fire Protection. Management will continue to monitor the corrosion problem but no additional measures are planned at this time.

Management reviewed the First Amendment to Amended and Restated Declaration for Lodge at Lionshead II for the Condominium Map. This Map and Amendment have been successfully completed and filed with the Town of Vail and Eagle County. Management will now confirm whether the long-term leases will need to be formally terminated as a last step in this process. Map will be posted to the Association web-site along with the other updated Association Documents

Management reviewed a "Letter of Completion" provided by Acme Alarm Company. The fire alarm panel and device replacement project was completed in June 2017.

Management reported on the Association's conversion to the Comcast "Triple Play" package. Upgraded cable TV, phone and internet are now provided in a bulk agreement with Comcast and will be paid for via operating assessments. Conversion was completed in May 2017.

Bob presented the conceptual plans and costs provided by KH Webb Architects for the lower level improvement plans for both Phase I & II. The Board agreed to continue to study these areas in cooperation with Phase I with the goal of having specific plans and cost estimates prepared for a vote of ownership in 2018.

The Board reviewed the provisions in the Association's current Declaration regarding smoking policies, creation of Rules and Regulations and the process for Declaration Amendments. The Board also reviewed the "No Smoking" rule created by LAL I during their Annual meeting in July. After discussion, the Board decided to propose the same rule as LAL I to the owners at the Annual Meeting on

Saturday. This rule would prohibit smoking in Association General Common Areas.

New Business.

Management encouraged the Board to review carefully the recently updated Capital Replacement Study that has been posted to the web-site.

Management reviewed with the Board the proposed Capital Replacement Projects FYE 4/30/2018 and a deck resurface project being proposed for Spring 2018. After discussion, a **Motion was made by Bob Lichtenstein to accept the proposed Operating Budget of \$229,474 and to increase the Replacement Fund quarterly assessment by \$5,000. Motion was seconded and passed unanimously. Approved Operating Budget and Approved Capital Replacement Projects FYE 4/30/2018 are Attached.**

Nomination of Board of Managers for Annual Meeting.

Katy Lichtenstein presented the Nominating Committee Chairperson's report. Peggy Sciotto, Bob Lichtenstein and Mike Steele had indicated that they would like to run for another two-year term, so will be nominated at the Annual Meeting.

Scheduling of next Board of Managers Meeting.

The next Board of Manager meeting will take place on Saturday, July 29, 2017, immediately following the owner's meeting.

Meeting was adjourned at 5:12 pm.

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION
PROPOSED OPERATING BUDGET
FOR YEAR ENDING APRIL 30, 2018**

	2017	2017	2018
	BUDGET	ACTUAL	PROPOSED
REVENUE			
Operating Assessment	202,395	202,395	221,787
Lease Assessment	13,022	15,373	7,687
TOTAL REVENUE	215,417	217,768	229,474
EXPENSES			
Trash Removal	5,000	5,342	5,000
Snow Removal	2,500	7,404	2,500
Landscape	9,500	9,535	10,500
Professional Fees - Accounting	4,850	5,161	5,200
Professional Fees - Legal	200	266	200
Office	750	929	750
Management Fee	34,267	34,267	34,267
Insurance	18,369	18,369	19,457
Fire Sprinkler: Alarm/ Test/ Inspect	3,000	2,690	3,000
Pool Maintenance	5,500	5,393	5,500
Building Maintenance	16,000	15,882	16,000
Water/ Sewer	17,500	19,139	19,000
Gas: Pool/ Spa/ Driveway/ Site	12,500	12,020	12,500
Electricity	18,000	17,392	18,000
Cable/ Phone/ Internet Service	18,240	17,670	26,000
Common Area Cleaning	9,500	12,417	11,500
Maintenance Man	29,000	29,630	29,000
Elevator	5,000	5,887	5,000
In-Room Internet	2,000	1,484	0
Unit C-3 Expense	4,000	3,402	4,000
Miscellaneous/ Contingency Expense	50		50
Unit 290 Expense	2,000	1,790	2,000
Meeting Expense	50		50
TOTAL EXPENSES	217,776	226,068	229,474
VARIANCE		-8,300	

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION
CAPITAL REPLACEMENT PROJECTS COMPLETED
YEAR ENDING APRIL 30, 2017**

REVENUES	
Beginning Balance	\$ 438,056
Quarterly Assessments	55,980
Interest Income	1,550
TOTAL REVENUES	\$ 495,586
EXPENSE CATEGORIES	
Siding & Fascia Replacement/ Final	18,379
Deck Resurfacing	7,625
Common Area Painting	19,248
Condo Map Project	13,335
Tree Removal/ Root Barrier/ Pavers	3,450
Landscape	3,192
Tree Succession Planning	625
Building Re-Key	5,551
Fire Sprinkler System	9,004
Lobby Stairs: Carpet & Nosing	2,309
Pool/ Spa	5,738
Fire Alarm Panel & Device Replacement/ Deposit	23,981
Mechanical Systems	8,014
Elevator	1,391
Garage Door	492
Fitness Center	242
Misc. Tools, Parts & Equipment	2,434
Project Mgmt & Supervision Fee 2016	1,485
TOTAL EXPENSES	\$ 126,495
ENDING FUND BALANCE FYE 4.30.17	\$ 369,091

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION
CAPITAL REPLACEMENT PROJECTS PROPOSED
YEAR ENDING APRIL 30, 2018**

REVENUE	
Beginning Balance	369,091
Quarterly Assessments	55,980
Interest	2,000
TOTAL REVENUE	427,071
EXPENSES CATEGORIES	
	COST ESTIMATE
Fire Alarm Panel: Devices/ final	43,500
Snowmelt System Replacement	47,500
Common Area Recarpeting	12,500
Deck Resurfacing	7,625
Fence	1,750
Hallway Lighting	1,500
Condo Map final	1,500
Architect Planning: Lower Level	2,500
Tree Succession Planning: final	750
Mechanical Systems	5,000
Pool & Spa Systems	2,500
Contingency	5,000
TOTAL ANTICIPATED EXPENSES	131,625
ANTICIPATED ENDING FUND BALANCE FYE 4.30.2018	295,446
Spring 2018 Project: Deck Resurfacing	72,000