



## LODGE AT LIONSHEAD

### **LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION ANNUAL MEETING MINUTES JULY 30, 2016**

Bob Lichtenstein called the Annual meeting to order at 9:35 am on Saturday, July 30, 2016, in the Lodge at Lionshead, Unit #360. Owners present were Bob, Sandy, and Katy Lichtenstein, Peggy Sciotto, Janet and Mike Steele, Helen and Bob Howard. Also present were Jeff Bailey and Joy Dunham of Peak Resort Services, Inc. and Paul Backes of McMahan and Associates.

Presence of a quorum was established with 96.13% of ownership represented in person or by Proxy.

Notice of meeting was reviewed.

The minutes of the July 25, 2015 Annual Homeowners meeting were reviewed. **Motion made by Bob Howard to approve the minutes as presented. Motion seconded and passed unanimously.**

#### Financial Report.

Paul Bakes of McMahan and Associates, P.C. presented the Financial Audit report.

Paul presented to the meeting (2) resolutions:

1. **Capital contributions.** RESOLVED that amounts collected by or paid to the Association for Capital Replacement purposes for the fiscal year ended April 30, 2016, shall be set aside for future major repairs and replacements and allocated to capital components as provided by the guidelines established by IRC Section 118 and Revenue Rulings 75-370 and 75-371. Such amounts shall be deposited into a separate account. Any amounts so added to replacement funds shall be allocated to the various components at the discretion of the Board of Directors.

2. **Excess income applied towards subsequent year's expenditures.** RESOLVED, that excess membership income over membership expense collected by or paid to the Association for the year ended April 30, 2016, shall not be directly refunded to owners, but shall be applied against subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

**A Motion was made by Peggy Sciotto to pass the 2 tax Resolutions. Motion was seconded and passed unanimously.**

**A Motion was made by Bob Howard to approve the Financial Report; Motion was seconded and passed unanimously.**

Paul Backes departed the meeting.

#### Budget Proposal.

Management reviewed with the meeting a report on the ten year operating expense history for the Association.

Management presented an operating budget proposal of \$217,776. This represents a 1% increase over prior year. Management reviewed with the owners the expense line items that have changed from the prior year. Bob Lichtenstein explained that the Board has approved the proposed operating budget of \$217,776 but will leave the assessment level at \$214,387. So, assessments will not increase. The Association will use the balance in the equity fund built up to cover the \$3,389 difference, if needed. The vote on the operating assessment was tabled to coincide with capital replacement projects and assessment decision later in the meeting.

#### Old Business

Management reviewed with the Owners the status of the most recent fire sprinkler system pipe failure that occurred in the building. The mitigating steps taken, as specified by B2CE, engineer, to try and contain the corrosion in the pipes were reviewed.

Bob Lichtenstein reviewed the information received from Comcast on adding the "triple play" package to all individual units. Management was directed to continue to explore this opportunity.

Management reviewed the "Resolution of Members Approving and Authorizing Amending the Condominium Map and Declaration to Implement Remapping". This Resolution was prepared by Association Attorney, Dan Wolf, for a vote of ownership at this meeting. This Resolution and an accompanying Proxy with Voting Directive were provided to all owners in the Annual Meeting Notices. After discussion, **a Motion was made by Bob Howard to approve the "Resolution Approving and Authorizing Amending the Condominium Map and Declaration to Implement Remapping". Motion was seconded and passed unanimously. This Resolution passed with a 96.13% vote in favor. Resolution Attached to these minutes.**

Management presented reports on the completed siding and fascia replacement project and a CertainTeed litigation and Class Action settlement recap. **Attached**

Management reviewed with owners the Capital Replacement Project expenses FYE 4/30/16 report. Expenses totaled \$477,854. A \$438,056 replacement fund balance was carried forward in the Association's Replacement Fund. **Attached.**

#### New Business.

Management reported to the Owners that the TOV has incorporated a provision of the National Fire Code into the town building code. It requires monitoring for carbon monoxide in all units with fireplaces and/or bedrooms. The Association's existing alarm monitoring panel, shared with Phase I, will not accommodate the combination smoke and carbon monoxide monitoring devices that are now available in the marketplace. Additionally, the Association's Gamewell alarm panel installed in 2003 is no longer being manufactured, so parts may not be available for repairs. Management has collected replacement costs for the alarm panel and all devices on the system. Replacement cost have been included in the Associations Replacement study in the year 2017 - 2018.

Bob presented a request from Phase I to cooperate on an architectural concept study on enlarging the Phase I fitness center and the Phase II sauna/shower area to create improved amenities for Association's use.

Management presented a summary of the Association's updated Capital Replacement Study. All Owners were encouraged to review the entire comprehensive study that is posted to the Owner's section of the website.

Management reviewed with the Board the proposed Capital Replacement Projects FYE 4/30/2017. **Motion made by Peggy Sciotto to keep operating and replacement fund quarterly assessments the same FYE 4/30/2017. Motion was seconded and passed unanimously. Approved Operating Budget and Approved Capital Replacement Projects FYE 4/30/2017 are Attached.**

Ratify Board of Director Actions

**Motion made by Bob Howard to Ratify the actions of the Board of Directors FYE 4/30/2016. Motion seconded and passed unanimously.**

Board of Director Elections.

Mike Steele presented the Nominating Committee Chairperson's report. Katy Lichtenstein and Crys Margolis were nominated for two year terms. **Motion made by Mike Steele to accept the nominations. Motion was seconded and passed unanimously. Board will be comprised of Bob Lichtenstein, Peggy Sciotto, Katy Lichtenstein, Crys Margolis and Mike Steele.**

Next Annual Meeting is planned for Saturday, July 29, 2017 at 9:30 am.

**Motion was made by Bob Lichtenstein to adjourn the meeting at 11:00 am. Motion was seconded and passed unanimously.**

# THE LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION

## Resolution of Members Approving and Authorizing Amending the Condominium Map and Declaration to Implement Remapping

For Consideration and Action at the Annual Meeting on July 30, 2016

### RECITALS

A. Over the years numerous renovations have been performed on certain Units and Common elements of The Lodge at Lionshead II. Those renovations have resulted in the alteration and expansion of certain of the physical boundaries of those Units and certain contiguous Common Element spaces being physically incorporated into those Units. The owners of those Units have incorporated and improved such Common Element spaces so as to integrate them functionally into and make them part of the Units, and have exclusively occupied and used the Common Element spaces in connection with and as part of their use and occupancy of their respective Units. That physical incorporation of Common Element spaces into Units has been handled from a legal perspective primarily through long-term leases or other arrangements between the owner and the Association;

B. The existing Condominium Map depicts the original boundaries and locations of the Units and Common Elements, and does not reflect current physical boundaries and locations of Units and Common Elements resulting from the renovations;

C. The Association desires to cause The Lodge at Lionshead II, including all Units and Common Elements, to be completely resurveyed and remapped and for a new, updated and amended Condominium Map ("Amended Map") to be created and recorded that will depict the current physical boundaries and locations of all Units and Common Elements. The alteration of the legal boundaries and locations of the Units and Common Elements will be memorialized and effectuated through the recorded Amended Map. The Condominium Declaration will also be amended via a recorded amended Condominium Declaration ("Amended Condominium Declaration") for the limited purpose of reallocating each Unit's Allocated Interest to reflect any changes in the square footage of the Units resulting from the remapping. The foregoing remapping process, including the amendments to the Condominium Map and to the Declaration, is collectively referred to as the "Remapping."

D. Except as otherwise defined in this Resolution, capitalized terms used in this Resolution shall have the meaning provided in the Amended and Restated Declaration for The Lodge at Lionshead II, as amended and supplemented (the "Declaration").

### RESOLVED

1. **Approval of Remapping.** The Remapping is hereby approved, and the Board of Directors (the "Board") is hereby authorized, empowered and directed to carry out the Remapping in accordance with this Resolution without any further action or vote of the Members required.

2. **Board Authority.** This approval and the Board's authority in connection with the Remapping includes without limitation the following all to be exercised by the Board in its reasonable discretion, without any further action or vote of the Members required, and subject to the terms, conditions, and requirements set forth in this Resolution: to cause to be prepared, executed and recorded the Amended Map and Amended Declaration; to cause, make, receive, accept and carry out any and all conveyances and transfers of Common Elements (both General and Limited) and Units, and portions thereof, necessary and appropriate to carry out the Remapping; and to adjust and reallocate each Unit's Allocated Interest in and to the Common Elements as set forth in the Declaration to reflect changes in square footage of Units resulting from the Remapping.

3. The Board, acting through the President or the Vice President of the Association, along with the Secretary of the Association, shall have all powers necessary and appropriate to carry out this Resolution.

END OF RESOLUTION.

**LODGE AT LIONSHEAD I and II  
SIDING and FASCIA REPLACEMENT PROJECT  
BUDGET vs. ACTUAL AS OF 4.30.16**

	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
Phase I Estimate (includes cedar material upgrade \$31,068)	460,397	405,340	\$ 55,057
Phase II Estimate (includes cedar material upgrade \$33,657)	439,502	418,799	\$ 20,703
<b>TOTAL CONSTRUCTION COSTS</b>	<b>\$ 899,899</b>	<b>\$ 824,139</b>	<b>\$ 75,760</b>
<b>PRE-DEVELOPMENT / SOFT COSTS</b>			
Architectural/ Engineering	20,000	17,286	
Legal Fees: Bonds, ROW Permits, Access	3,000	1,334	
Misc Fees: Design Review Fees, Bonds, Reprographics	3,000	0	
Town of Vail Material Use Tax	16,000	9,324	
Building Permit	15,000	6,088	
<b>TOTAL SOFT COSTS</b>	<b>\$ 57,000</b>	<b>\$ 34,032</b>	<b>\$ 22,968</b>
<b>PROJECT COSTS SUMMARY</b>			
Construction Costs	899,899	824,139	
Pre-Development/ Soft Costs	57,000	34,032	
Architectural Construction Administration	12,000	-	
Associations Contingency (+/- 20%)	179,979	-	
<b>TOTAL PROJECT COSTS</b>	<b>\$ 1,148,878</b>	<b>\$ 858,171</b>	<b>\$ 290,707</b>
<b>TOTAL COST ESTIMATE LODGE AT LIONSHEAD I</b>	<b>\$586,976</b>	<b>\$ 422,356</b>	<b>\$ 164,620</b>
<b>TOTAL COST ESTIMATE LODGE AT LIONSHEAD II</b>	<b>\$561,902</b>	<b>\$ 435,815</b>	<b>\$ 126,087</b>

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION  
SIDING and FASCIA REPLACEMENT PROJECT  
COMPLETED COST RECAP**

<b>REVENUES</b>	
CertainTeed Settlement	112,500
1st Payment Class Action Settlement	24,657
<b>TOTAL REVENUES</b>	<b>137,157</b>
<b>EXPENSE CATEGORIES</b>	
Siding & Fascia Replacement	431,827
Architectural Engineering	23,074
Legal	71,998
Destructive Testing	719
Mock-up	2,906
<b>TOTAL PROJECT EXPENSES</b>	<b>530,524</b>
<b>TOTAL COST TO ASSOCIATION</b>	<b>393,367</b>



**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION**  
**CAPITAL REPLACEMENT PROJECTS COMPLETED**  
**YEAR ENDING APRIL 30, 2016**

<b>REVENUES</b>	
Beginning Balance	\$ 462,032
Quarterly Assessments	55,981
Special Assessments	294,409
CertainTeed Settlement	24,657
#320 Loft Lease Payment	38,250
#330 Loft Lease Payment	38,250
Interest Income	2,331
<b>TOTAL REVENUES</b>	<b>\$ 915,910</b>
<b>EXPENSE CATEGORIES</b>	
Siding & Fascia Replacement Project	
Construction	431,827
Architectural/ Engineering	8,980
Legal	667
Unit C-3 Special Assessment	2,913
Unit #290 Special Assessment	1,303
Fire Sprinkler & Alarm System	13,090
Mechanical Systems	4,415
Pool/ Spa	3,787
Landscape	1,991
Building Wi-Fi	1,710
Legal/ Documents & Condo Map	1,288
Misc. Tools & Equipment	3,409
Project Mgmt & Supervision Fee 2015	2,474
<b>TOTAL EXPENSES</b>	<b>\$ 477,854</b>
<b>ENDING FUND BALANCE FYE 4.30.16</b>	<b>\$ 438,056</b>

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION**  
**PROPOSED OPERATING BUDGET**  
**FOR YEAR ENDING APRIL 30, 2017**

	2016	2016	2017
	BUDGET	ACTUAL	PROPOSED
<b>REVENUE</b>			
Assessments	202,395	202,395	204,754
Lease Assessments	11,992	13,022	13,022
<b>TOTAL REVENUE</b>	<b>214,387</b>	<b>215,417</b>	<b>217,776</b>
<b>EXPENSES</b>			
Trash Removal	5,000	4,728	5,000
Snow Removal	2,500	753	2,500
Landscape	9,500	7,112	9,500
Professional Fees - Accounting	4,850	4,960	4,850
Professional Fees - Legal	200	247	200
Office Expense	750	695	750
Management Fee	31,152	31,152	34,267
Insurance	17,635	17,635	18,369
Pool Maintenance	5,500	4,649	5,500
Building Maintenance	16,000	14,607	16,000
Water and Sewer	16,500	17,676	17,500
Gas - pool, spas, site & driveway snowmelt	16,000	10,752	12,500
Fire Alarm & Sprinkler Test & Inspect	3,000	3,250	3,000
Electricity	18,000	18,123	18,000
Common Area Cleaning	9,500	9,256	9,500
Maintenance Man	27,000	28,689	29,000
Elevator Expense	5,000	5,072	5,000
Manager's Office Assessments (Unit C-3)	4,000	5,102	4,000
Director's Fee	0	0	0
Unit 290 Expenses	2,000	1,798	2,000
Miscellaneous/ Contingency Expense	50	0	50
Cable Television	17,700	17,698	18,240
Meeting Expense	50	0	50
In- Room Internet	2,500	1,630	2,000
<b>TOTAL EXPENSES</b>	<b>214,387</b>	<b>205,584</b>	<b>217,776</b>
<b>VARIANCE</b>		9,833	

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

<b>REVENUE</b>	
Beginning Balance	438,056
Quarterly Assessments	55,980
Interest	2,000
<b>TOTAL REVENUE</b>	<b>496,036</b>
<b>EXPENSES CATEGORIES</b>	
	<b>COST ESTIMATE</b>
Siding and Fascia Replacement/ Final	17,500
Deck Resurfacing	55,000
Paint All Common Area: walls & ceilings	21,350
Condo Map Project	12,500
Tree Removal/ Root Barrier/ Paver repair	5,950
Landscape Improvements	3,500
Building/ Unit Re-Key	3,630
Fire Sprinkler System	3,070
Lobby Stairs: carpet & nosing	2,185
Pool/ Lighting System	2,000
Pool Component Replacement	2,500
Contingency	5,000
<b>TOTAL ANTICIPATED EXPENSES</b>	<b>134,185</b>
<b>ANTICIPATED ENDING FUND BALANCE FYE 4.30.2017</b>	<b>361,851</b>