



LODGE AT  
LIONSHEAD

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION  
ANNUAL MEETING MINUTES  
JULY 28, 2018**

Bob Lichtenstein called the Annual meeting to order at 9:35 am on Saturday, July 28, 2018, in the Lodge at Lionshead, Unit #400. Owners present were Don Werner and Mike Gosline Unit #140, Helen and Bob Howard Unit #280 & #160, Bob and Sandy Lichtenstein Unit #250 & #360, Peggy Sciotto unit #400. Mike Steele #330 called in. Also present was Jeff Bailey of Peak Resort Services, Inc.

Presence of a quorum was established with 86.51% of ownership represented in person or by Proxy.

Notice of meeting was reviewed.

The minutes of the July 29, 2017 Annual Homeowners meeting were reviewed. **Motion made by Bob Howard to approve the minutes as presented. Motion seconded and passed unanimously.**

Financial Report.

Bob Lichtenstein presented the Financial Audit report and asked those in attendance to review and raise any questions. The Audit Report includes a clean opinion from our Auditors. **A Motion was made by Don Werner to approve the Financial Report; Motion was seconded and passed unanimously.**

Management 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, 2018, 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, 2018, 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 Don Werner to pass the 2 tax Resolutions. Motion was seconded and passed unanimously.**

#### Budget Proposal.

Management provided a 2018 Operating Budget Explanation for the Association. Bob Lichtenstein requested that this Explanation be attached to the minutes so that all owners would have an opportunity to review it.

Management presented an Operating Budget proposal of \$237,050 for FYE 4/30/2019. This represents a 3% increase over prior year. Management reviewed with the owners the expense line items that have changed from the prior year. **A Motion was made by Don Werner to approve the Operating Budget as presented. Motion was seconded and passed unanimously.** Attached.

Management provided, in the meeting packet, a letter from the Denver Agency, outlining the insurance coverage provided in the Association's policy and the coverage that Owners are responsible for obtaining in their personal homeowner's insurance policy. **This should be particularly reviewed by Ownership and is attached.**

#### Old Business

Management reviewed with Owners the Capital Replacement Project expenses FYE 4/30/18 report. Expenses totaled \$165,105. A \$276,121 replacement fund balance was carried forward in the Association's Replacement Fund. **Attached.**

Management updated Ownership on the in-unit LED lighting conversion project. Project is complete and owners have either already been invoiced or will be on their July statements. Management will submit the rebate reconciliation to Holy Cross Electric and owners should expect a rebate on their electric statements in the next 60-90 days.

Management will send an update letter to all Owners with this information as well.

Bob Lichtenstein presented the conceptual plans provided by KH Webb Architects for the lower level improvements being considered for both Phase I & II. Bob reported that the Board will continue to study these areas in cooperation with Phase I. The Board has approved an additional \$10,000 in architectural planning fees, in order to develop plans that may be submitted to the Town of Vail for permit review and to acquire accurate project cost estimates from 3 General Contractors. The goal would be to prepare for a cooperative project with Phase I and possibly Phase III with either a Spring or Fall 2019 start date. Next steps are for Peggy Sciotto to further refine the conceptual plan for Board of Director review and approval. Management is to update the Capital Replacement Study, paying particular attention to the projects coming up in the years 2019 – 2022 since the combination of this potential project and items shown in the replacement study would **likely result in a special assessment in order to maintain an appropriate level of funding in the Association's Replacement Fund**. This Capital Study information coupled with the updated contractor pricing for the project will allow for the Board to discuss the costs with the other Associations and make funding recommendations to Ownership.

#### New Business.

Management reviewed the proposed Capital Replacement Projects FYE 4/30/2019 and proposed Capital Replacement Fund assessment level. After discussion, **Motion made by Peggy Sciotto to approve the Capital Projects as proposed for FYE 4/30/2019 and an assessments level increase of \$5,000 to \$80,980. Motion was seconded and passed unanimously. Approved Capital Replacement Projects FYE 4/30/2019 are Attached.**

#### Ratify Board of Director Actions

**Motion made by Bob Lichtenstein to Ratify the actions of the Board of Directors for FYE 4/30/2018. Motion seconded and passed unanimously.**

#### Board of Director Elections.

**Motion made by Peggy Sciotto to nominate Crys Margolis and Katy Lichtenstein for two-year terms. Motion was seconded and passed unanimously.** Board will be comprised of Bob Lichtenstein, Peggy Sciotto, Katy Lichtenstein, Crys Margolis and Mike Steele.

Bob reviewed with owners the outline for a different Board nomination process moving forward. This process will be implemented prior to next year's Annual Meeting.

**Motion was made by Bob Howard to adjourn the meeting at 11:50 am. Motion was seconded and passed unanimously.**

**Lodge at Lionshead II Condominium Association  
2018 Operating Budget Explanation**

**INCOME:**

**Common Assessments:** Quarterly fees to pay for Operating Expenses.

**OPERATING EXPENSES:**

**Trash removal:** Cost of trash removal (dumpster pickup) and recycling with Vail Honeywagon. Pick up schedule varies by occupancy periods.

**Snow Removal:** Snow shoveling of South decks and walkways at bike path and north stairwells performed by PRSI maintenance personnel and billed at regular hourly rates. Roof snow removal, on as needed basis. Contracted with TCC Roofing.

**Landscape Maintenance:** All inclusive grounds maintenance line item. Includes: mowing, weed eating, pruning, garden and mulch area maintenance, raking, aerating, fertilization, spring and fall clean ups, yearly native plant and grasses cut back prior to winter. Irrigation start up, clock scheduling and fall blow out of system, sprinkler line and spray head inspection and replacement/repairs. Contracting and supervision of contractor to spray and fertilize all trees and grasses for weeds, insects, scale and various Spruce and Pine Beetle diseases. Purchase of all flowers for summer boxes and pots. Daily hand watering of all flower boxes and pots. Portion of services contracted with Seasonal Landscape, High Country Forestry and hourly by PRSI personnel.

**Professional Fees – Accounting:** Cost of Annual Financial Audit performed by McMahan and Associates and preparation of tax return.

**Professional Fees – Legal:** Consultation fees for legal advice on any important issues. Typically used for governing document clarification, amendments and adoption of new policies. Dan Wolf of Mountain Law Group is the primary Association attorney.

**Office Expense:** Postage, supplies and copies for all Association correspondence and assessment billings. Conference calling invoices and answering service monthly fee.

**Management fee:** Includes office and front desk staffing, owner and Board of manager correspondence, R&R enforcement, schedule, prepare and attend Board and Annual meetings, meeting minutes and distribution, budget preparation, billings and Association receivables, assessment collections, monthly financial statement preparation, capital replacement study preparation, filing Association Corporate documents, contractor and maintenance overview, insurance review, contracting and claim handling, bidding, selection and supervision of contracts for operations, property inspections, code compliance, governing document review, Owner's web-site section development and maintenance, Realtor/lender/title company communications and correspondence.

**Insurance expense:** Association's annual insurance policy premium. Commercial Property Coverage includes; Blanket Building coverage, equipment breakdown, Director and Officer Liability and additional liability umbrella. Considered a "bare walls Policy" per the Association Declaration. Each owner also is required to have their own interior unit policy that should cover any gaps in coverage of Association Policy.

**Fire System test & Inspect:** Cost of annual fire alarm, fire sprinkler and domestic water backflow devices test and inspections. Inspections Performed by ACME Alarm Company and Western States Fire Protection Services.

**Pool/spa Maintenance:** Daily opening, water testing, balancing of chemicals, skimming, brushing and cleaning of surfaces and filter baskets and closing of pool and spa covers. Periodic vacuuming, filter cleaning/replacements, storage of furniture, draining and cleaning of pool/spa. Monitoring, servicing and replacement of all equipment as needed. Purchase of all chemicals and maintenance supplies. Shared expense with Phase II.

**Building Maintenance:** All inclusive building maintenance line item to include general maintenance repairs, grounds trash pick-up, driveway cleaning, water damage mitigation, drywall repairs and touch up painting, plumbing and electrical repairs, carpentry repairs, parts, supplies, light bulbs, pest control, mechanical system maintenance (boilers/snowmelt systems), fire alarm panel monitoring and phone line expense. Annual boiler inspection by State of CO.

**Water and Sewer:** Paid to Upper Eagle Valley Water and Sanitation for metered use of domestic water and sewer for all units, irrigation and pool/spa.

**Gas - Pool/Hot tubs/ Driveway/walkway:** Paid to High Point Energy (wholesaler) for metered gas used to for heating of Pool / Hot Tubs and driveway/walkways snowmelt systems. Systems are all sensed for efficiencies. Gas expense is shared with LAL II.

**Electricity:** Paid to Holy Cross Energy for metered power used for interior and exterior common area lighting, alarm panel and monitoring service, pool, spa and irrigation systems.

**Cable Television, phone and internet Services:** Paid to Comcast for providing bulk expanded basic cable television for all units, local and long distance calling and high-speed internet services.

**Cleaning Common Areas:** Includes amount billed hourly by PRSI for common area interior and exterior janitorial cleaning and trash and recycling in common areas. Twice per year contracted window cleaning and annual carpet steam cleaning. Includes all trash bags and cleaning/vacuum supplies.

**Maintenance Man:** Paid to PRSI as direct reimbursement for salary and benefit package of Maintenance Manager. Cost shared with LAL II & III at GU percentage.

**Unit C-3 Expense:** Management office owned and costs shared by LAL Association's at GU sharing percentage. Property taxes, LAL II Association assessments, upkeep and maintenance.

**Unit #290 / Employee Housing Expense:** Studio unit # 290 is owned and costs shared by LAL Associations and PRSI. Property taxes, LAL II assessments, upkeep and maintenance.

**Meeting Expense:** Conference room rental, refreshments, meeting material preparation.

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION  
PROPOSED OPERATING BUDGET  
FOR YEAR ENDING APRIL 30, 2019**

	<b>2018 BUDGET</b>	<b>2018 ACTUAL</b>	<b>2019 PROPOSED</b>
<b>REVENUE</b>			
Operating Assessment	221,787	229,474	237,050
Lease Assessment	7,687		
Interest		128	
<b>TOTAL REVENUE</b>	<b>229,474</b>	<b>229,602</b>	<b>237,050</b>
<b>EXPENSES</b>			
Trash Removal	5,000	6,074	6,000
Snow Removal	2,500	1,670	2,500
Landscape	10,500	11,201	11,500
Professional Fees - Accounting	5,200	5,586	5,200
Professional Fees - Legal	200		200
Office	750	972	750
Management Fee	34,267	34,267	34,267
Insurance	19,457	19,483	20,660
Fire Sprinkler: Alarm/ Test/ Inspect	3,000	2,015	3,000
Pool Maintenance	5,500	5,693	6,000
Building Maintenance	16,000	17,491	16,500
Water/ Sewer	19,000	19,146	19,000
Gas: Pool/ Spa/ Driveway/ Site	12,500	13,485	12,500
Electricity	18,000	17,655	18,000
Cable/ Phone/ Internet Service	26,000	26,122	26,400
Common Area Cleaning	11,500	12,563	12,500
Maintenance Man	29,000	29,559	29,500
Elevator	5,000	5,743	6,000
In-Room Internet	0	634	0
Unit C-3 Expense	4,000	4,497	4,500
Miscellaneous/ Contingency Expense	50		23
Unit 290 Expense	2,000	2,542	2,000
Director's Expense		530	
Meeting Expense	50	7	50
<b>TOTAL EXPENSES</b>	<b>229,474</b>	<b>236,935</b>	<b>237,050</b>
<b>VARIANCE</b>		-7,333	

# DENVER AGENCY

Lodge at Lionshead I and II Condominium Associations  
380 E. Lionshead Circle  
Vail, CO 81657

Dear Lodge at Lionshead Unit Owners,

Our Agency has the pleasure of providing the Property and Casualty Insurance for your Association. We appreciate the opportunity to be of service.

The Association's insurance policies have been written to comply with your Amended and Restated Declarations. The attached Certificate of Insurance provides information regarding these Insurance Policies.

The Association insures:

- The Building, including Common Elements.
- The Units, but only up to and including the Unit's unfinished interior surface of perimeter and partition walls floors ceilings, the service equipment which includes the fire sprinkler system, windows and window frames, and doors and door frames.
- The Liability exposure of the Association, including individual unit owners for Liability arising out of Association premises, but not the unit owners individual Unit.

**AN IMPORTANT INSURANCE REMINDER FOR ALL UNIT OWNERS:**

Unit Owners are responsible for insuring:

- ALL unit interiors finishes including: cabinetry, countertops, fixtures, appliances, lighting, hardware, all finished surfaces of your Units walls, floors, and ceilings and all personal property.
- Loss Assessments, Loss of Income for rental units, and Owner's Loss of Use.
- Personal Liability.

Please refer to your Association's Declarations (Article 8) for detailed information regarding the Association's and Unit Owners insurance responsibilities. If you have questions or need additional information, please contact Peak Resort Services, Inc., as your first step.

Many thanks for doing business with the Denver Agency.

Sincerely, Jeffrey Samuelson, CIC, Producer



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

<b>REVENUES</b>	
Beginning Balance	\$ 369,091
Quarterly Assessments	65,980
Settlement Proceeds	4,640
Interest Income	1,515
<b>TOTAL REVENUES</b>	<b>\$ 441,226</b>
<b>EXPENSE CATEGORIES</b>	
Driveway Snowmelt System	56,311
Fire Alarm Panel & Device Replacement (final)	42,860
Mechanical Systems	19,604
Common Area Carpet	11,944
Condo Map (final)	6,371
Pool/ Spa	4,316
Electrical	4,455
Fence	3,090
Comcast Conversion	2,642
Flooring	1,678
Common Area Painting	1,443
Linen Room	1,212
Architectural/ Lower Level	1,896
Misc. Tools, Parts & Equipment	1,033
Project Mgmt & Supervision Fee	6,250
<b>TOTAL EXPENSES</b>	<b>\$ 165,105</b>
<b>ENDING FUND BALANCE FYE</b>	<b>\$ 276,121</b>

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION  
CAPITAL REPLACEMENT PROJECTS PROPOSED  
YEAR ENDING APRIL 30, 2019**

<b>REVENUE</b>	
Beginning Balance	276,121
Quarterly Assessments	80,980
Interest	1,500
<b>TOTAL REVENUE</b>	<b>358,601</b>
<b>EXPENSES CATEGORIES</b>	
	<b>COST ESTIMATE</b>
Deck Resurfacing	73,700
Architect Planning: Lower Level	10,000
Lighting	7,500
Paint/ Stain Deck Posts	2,900
Mechanical Systems	5,000
Pool & Spa Systems	5,000
Contingency	5,000
<b>TOTAL ANTICIPATED EXPENSES</b>	<b>109,100</b>
<b>ANTICIPATED ENDING FUND BALANCE FYE 4.30.2019</b>	<b>249,501</b>