



LODGE AT  
LIONSHEAD

**LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION  
ANNUAL HOMEOWNERS MEETING MINUTES  
JULY 2, 2016**

Association President, Bill Palmer called the Annual Meeting to order at 3:01 pm, on Saturday, July 2, 2016, at The Lionsquare Lodge Conference room. Homeowners present were Molly and David Rudnick Unit #101, Rob Russo unit #104, Cathy Nigro, Suzie Walti and Chris Nigro unit #203, Bill and Jean Ann Palmer unit #207, Ken and Nikki Hauck unit #208, Will Thompson unit #302, Kenny Slutsky unit #403, Jim and Vicki Mueller unit #405, Stuart, Deb and Barbara Spencer and Shannon Goertz unit #406, Dan Littrell unit #407. Also attending were Paul Bakes of McMahan and Associates, auditor and Jeff Bailey and Joy Dunham of Peak Resort Services, Inc.

Presence of a quorum was established with 15 of 18 units (83.78%) represented in person or by proxy.

Notice of Meeting was reviewed.

The minutes of the June 29, 2015, Annual Homeowners meeting were reviewed. **A motion was made by Molly Rudnick to approve the minutes as presented. Motion was seconded and passed unanimously.**

Financial Report.

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

**The 2 tax Resolutions were unanimously approved by a vote of the Association.**

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

Paul Backes departed the meeting.

Management presented the proposed operating budget FYE 4/30/2017. **(Attached)** The Board approved budget is: \$201,121 which is a 2% increase over prior. The expense line items that are changing from the previous year were reviewed. After discussion, a **Motion made by Molly Rudnick to approve the operating budget as presented. Motion seconded and passed unanimously.**

#### Old Business

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

Management reviewed with the Board the Capital Replacement Project expenses FYE 4/30/16. Expenses totaled \$469,555. A \$484,821 replacement fund balance will be carried forward in the Association's replacement fund. **(Attached)**

#### New Business.

Management presented the owners with a proposal from Colorado Land Art Studio for Successional Tree Master Plan Study.

Management reported to the Board 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 bedrooms. This will apply to new construction and renovations. Smoke and fire monitoring sensors should be replaced every 10 years and our sensors and monitoring panel are scheduled to be replaced/updated in 2017/18. Unfortunately, the alarm monitoring panel will not accommodate the combination smoke and carbon monoxide monitoring devices and probably will have to be replaced except for the enclosure. Since carbon monoxide monitoring is a safety issue the board may recommend accelerating the project after a thorough examination by the management company of the implementation alternatives. The cost of the project is estimated at \$50K.

The owners reviewed a summary of the updated Capital Replacement Study prepared by Peak Resort Services, Inc. on June 23, 2016. The Capital Replacement Study, Current Assessment Funding Model, project reducing the annual contribution from \$104,000 to a \$78,000 annual contribution amount. This complete study is available on the owner's section of the LAL web-site.

Management reviewed with the owners the proposed Capital Replacement Projects FYE 4/30/2017. Pictures of the walkway paver repair project that was completed in May/June were included in the meeting packets and a plan for the re-landscaping of the area, where 2 large Cottonwood trees were removed, was also presented. After discussion, a **Motion was made by Kenny Slutsky to approve the projects presented and an annual assessment level of \$78,000. Motion seconded and passed unanimously.**

Bill Palmer presented to the owners the idea of enhancing the fitness center by removing one bathroom in order to create a larger improved space. Discussion ensued. Management was directed to seek Phase II and possibly Phase III for support for exploring the feasibility of this project. The Board will report the results of this study at next year's Annual Meeting.

Ratify Board of Directors Actions

**Motion made by Rob Russo to ratify the actions of the Board of Directors FYE 4/30/2016. Motion seconded and passed unanimously.**

### Elections

Bill Palmer reported to ownership that the Association By-Laws call for staggered Board of Director terms. So, there are two Board positions up for election this year. The By-Laws require advance notice of intent to run for the Board and no nominations allowed from the floor of the meeting. Will Thompson, Molly Rudnick and Cathy Nigro expressed advance intent to run for the two open Board positions. Molly, Cathy and Will were all given an opportunity to speak to the group and present their qualifications to the owners. Since it was a contested election, secret ballots were taken from those present and represented via proxy. Will Thompson and Cathy Nigro were elected via this vote to two year Board terms. **Motion made by Molly Rudnick to accept the election results. Motion seconded and passed unanimously.** Bill Palmer, Ken Hauck and Jim Mueller are the additional Board of Directors and their terms will expire April 30, 2017.

The next Board of Director meeting will be held on Friday, June 30, 2017, at 8:00 am. The next Annual Meeting will be held on the afternoon of Saturday, July 1, 2017 at 3:00 pm.

**Motion made by Stuart Spencer to adjourn the meeting at 5:12 pm. Motion was seconded and passed unanimously.**

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

	2016	2016	2017
	BUDGET	ACTUAL	PROPOSED
<b>REVENUE</b>			
Assessments	196,621	196,621	201,121
<b>TOTAL REVENUES</b>	<b>196,621</b>	<b>196,621</b>	<b>201,121</b>
<b>EXPENSES</b>			
Trash Removal	5,000	4,729	5,000
Snow Removal	2,500	753	2,500
Landscape	9,500	7,063	9,500
Office Expenses	750	913	947
Management Fee	28,931	28,931	31,824
Insurance	15,200	14,650	15,220
Pool Maintenance	5,500	4,649	5,500
Building Maintenance	14,500	14,384	14,500
Water and Sewer	9,500	11,694	11,750
Gas-Pool, Site & Drive	13,500	8,755	11,500
Gas - House	13,000	8,877	11,600
Electricity	14,000	13,160	14,000
Common Area Cleaning	7,500	6,912	7,500
Maintenance Man	27,000	28,689	29,000
Management office Expense C-3	3,800	5,102	4,200
Employee Housing Expense #290	2,500	1,798	2,500
Professional Fees - Accounting	3,680	3,790	3,680
Miscellaneous/ Contingency Expense	100	0	100
Annual Meeting Expense	1,800	1,333	1,800
In-Room Internet	2,500	1,420	1,750
Director's Fee	0	0	0
Cable Television	12,750	12,742	13,500
Professional Fees - Legal	250	195	250
Fire Protection Inspections	2,860	2,985	3,000
<b>TOTAL EXPENSES</b>	<b>196,621</b>	<b>183,524</b>	<b>201,121</b>
<b>VARIANCE</b>		<b>13,097</b>	

**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 I CONDOMINIUM ASSOCIATION  
SIDING and FASCIA REPLACEMENT PROJECT  
COMPLETED COST RECAP**

<b>REVENUES</b>	
CertainTeed Settlement	112,500
1st Payment Class Action Settlement	29,274
<b>TOTAL REVENUES</b>	<b>\$ 141,774</b>
<b>EXPENSE CATEGORIES</b>	
Siding & Fascia Replacement	413,046
Architectural/ Engineering	22,932
Legal	70,540
Destructive Testing	719
Mock-up	2,906
<b>TOTAL PROJECT EXPENSES</b>	<b>\$ 510,143</b>
<b>TOTAL COST TO ASSOCIATION</b>	<b>\$ 368,369</b>

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

<b>REVENUES</b>	
Beginning Balance	\$ 521,962
Quarterly Assessments	104,636
Special Assessments	293,488
CertainTeed Settlement	29,274
Interest	5,016
<b>TOTAL REVENUES</b>	<b>\$ 954,376</b>
<b>EXPENSE CATEGORIES</b>	
Siding	
Siding & Fascia Replacement	413,046
Architectural/ Engineering	8,643
Legal	667
Shroud Replacement	24,050
Mechanical Systems	6,687
Pool/ Spa Equipment	3,966
C-3 Siding Special Assessment	2,913
Unit 290 Siding Special Assessment	1,303
Landscape	1,992
Document Modernization	800
Internet System	450
Taxes	551
Misc. Equipment	2,088
Project Mgmt & Supervision Fee 2015	2,399
	<b>\$ 469,555</b>
<b>ENDING FUND BALANCE FYE 4.30.16</b>	<b>\$ 484,821</b>



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

<b>REVENUE</b>	
Beginning Balance	\$ 484,821
Quarterly Assessments	78,000
Interest	2,500
<b>TOTAL REVENUE</b>	<b>\$ 565,321</b>
<b>EXPENSES CATEGORIES</b>	
	<b>COST ESTIMATE</b>
Siding and Fascia Replacement Final	\$ 14,000
Tree Removal/ Root Barrier/ Paver repair	5,950
Landscape Improvement	3,500
Tree/ Landscape Succession Plan	1,080
Fitness Center Carpet & Paint	5,500
Building/ Unit Re-Key	2,400
Roof Snow Fencing Addition	1,200
Pool/ Lighting System	2,000
Pool Component Replacement	2,500
Contingency	2,500
<b>TOTAL ANTICIPATED EXPENSES</b>	<b>\$ 40,630</b>
<b>ANTICIPATED ENDING FUND BALANCE FYE 4.30.2017</b>	<b>\$ 524,691</b>