

**LAKE FOREST CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
June 30, 2018**

I. CALL TO ORDER

The Lake Forest Condominium Association Annual Homeowner Meeting was called to order by Thane De Puey at 1:30 p.m. in the Summit County Senior Center.

II. ROLL CALL, PROOF OF NOTICE AND INTRODUCTIONS

Board Members Present Were:

301E Thane De Puey, President
103C Marshall Blaney, Secretary
304D Dennis Burke, Director
304E Sue Sorenson, Director

303F Bob Seibert, Vice President
104D Madeline Mishkind, Director
202F Hubbard Helm, Director

Homeowners Present Were:

A101 Gary Cushner
A103 David & Joyce Roll
A201 Karen Bacon
A301 Charles Bohn
A303 Ronald & Janet Joy
B302 Andrew Tofe
C104 Ron Crist
C202 Theodore Dreyer
C204 Kristie Kimnach
D102 Paul & Linda Roberts
D104 Stephen Mishkind
D302 Kathy Chinoy
D304 Jayne Burke
E205 Ingrid Basier
E304 Gary Sorenson
F203 Keith Willy & Carmen Quenzer
F303 Jeanne Seibert

A102 Robert & Kathy Yehl
A104 Keith & Carol Thompson
A204 Tom & Doris McFeeters
A302 David Ehrenberger
B201 Ann Marie Heneghan
B303 John Huston
C201 Richard Eckrich
C203 Dennis Murphy
C303 Gregory & Sheryl Wells
D103 Thomas Moore
D201 Jay Arthur
D303 Deborah & David Cohen
E202 Cynthia Lowe
E206 David Phillips
E306 Rick & Lori Smith
F302 Carl & Sherri Kroonenberg
F305 John Wurts

Owners Represented by Proxy Were:

A202 Lyon
B103 Delong
B304 Yancey
C301 Gondolf
C304 Drennan
D203 Vollmer
E201 Duhl
F205 Bruyn
F306 Driggers

A304 Gibson
B301 Tarabocchia
C101 Hale
C302 Gelfand
D202 Daletrove Ltd.
D204 Marten
F201 Miller
F206 Scott
A203 Chebul

Representing Summit Resort Group was Kevin Lovett. Keith McBrearty was present representing Summit Property Maintenance. Erika Krainz of Summit Management Resource was recording secretary.

Notice of the meeting was sent May 30, 2018. With 37 units represented in person and 21 proxies received a quorum was confirmed.

III. APPROVAL OF PREVIOUS MEETING MINUTES

Marshall Blaney motioned to approve the minutes of the July 1, 2017 Homeowner Meeting as presented. Hubbard Helm seconded and the motion carried.

IV. PRESIDENT'S REPORT

Thane De Puey commented that the Summit Resort Group staff have been phenomenal and have gone above and beyond their scope of work. Keith McBrearty has been handling the maintenance for two years and has assisted with leaks, bat and raccoon mitigation and hot tub repairs. The owners recognized Kevin and Keith for their service to the Association.

Deck repairs and painting were approved last year and 37 were completed. The list of the highest priority decks for this spring has been put on hold pending the report from the Exterior Design Committee (EDC). Two decks with safety issues were repaired this spring. Owners who have safety concerns related to their decks should contact the Board. Several leaking windows on A and B Buildings were repaired and some fascia and flashing was replaced.

Thane De Puey has volunteered to spearhead the drainage issue. He will try to get three contractors to look at the conditions in front of A, B and C Buildings. The first recommendation from Cona Engineering was to put in a trough with heat tape but this was determined to be unfeasible. There may be a snowmelt system solution that is triggered based on temperature and humidity. The cost per snowfall would be \$15 - \$30 for an 8' wide zone in front of garages.

V. TREASURER'S REPORT

A. 2017 Year-End

The Association ended the year with a balance of \$59,422 in the Operating account and \$25,285 in the Reserve account. At year-end, there was a net loss of \$17,666.

B. Year-to-Date as of May 31, 2018

The Operating balance was \$96,099 and the Reserve balance was \$68,095. The Association is operating with year-to-date net income of \$49,709. There were no owner delinquencies.

An owner requested details of the \$89,439 Reserve expenses on the December 2017 Profit & Loss. Kevin Lovett said the projects included leak repairs, painting and painting the concrete floor entries.

VI. PROPERTY MANAGEMENT REPORT

A. Owner Education

Kevin Lovett provided an update on owner rights and the responsibilities of owners in common-interest communities. Owners have the right to attend and participate in all membership meetings, vote in person or by proxy, access Association records, financial statements and governing documents, use and enjoy common areas and sell or rent the individually owned unit or property. Owners are obligated to pay their fair share of costs of operating the Association and maintaining common areas via regularly scheduled and Special Assessments, to maintain their unit in accordance with Bylaws and architectural guidelines, to be respectful of neighbors and to be responsible for all occupants of their units.

B. Completed & Pending Projects

Keith McBrearty reported on projects to include:

1. Completed 37 deck repairs.
2. Obtained bids and approval for painting the west wall of E Building.
3. Painted the concrete floors of Buildings A, B, C and D.
4. Completed fire sprinkler system testing and inspection and all areas passed.
5. Completed backflow testing on domestic water lines. All buildings passed with Building A requiring immediate repairs.
6. Installed new dumpster enclosure garage door. It will be painted to match the buildings once new colors have been selected.
7. Caulked and painted lake side lower windows of Buildings A, B, C and D.
8. Obtained blueprints from Frisco Building Department and provided electronic copy to EDC.
9. Implemented monthly reporting of maintenance items.
10. Renewed maintenance contract with a fixed price for three years.
11. Cona Engineering and Savage Architects did site presentation and walk-throughs.
12. Did numerous walk-throughs with siding companies for EDC.
13. Started winter season with a new snow removal company AAA. There were concerns after two months and Emore was convinced to return.
14. Formed a Landscape Committee headed by Sue Sorenson.

VII. OLD BUSINESS

A. “No Smoking” Complex

Based on the results of the straw poll last year, the Board did not pursue any further action. Owners should inform the Board if they have strong feelings about this matter. The Board is looking at making the hot tubs a no smoking area but noted it will be difficult to enforce.

John Huston requested a show of hands from the owners present for their support to pursue making the entire property non-smoking (excluding unit interiors). There were 23 of 37 owners present (excluding proxies) in favor of further action.

B. Lake Hill Update

The County now owns the property and it is slated for a housing development. There is no current activity on the site but test pits may be dug later this year. There is a significant hurdle to be overcome in the form of a large gas line that runs through the property. Construction costs are also quite high and contractors are limited.

VIII. NEW BUSINESS

A. Exterior Design Committee Report

David Ehrenberg, Chair of the Exterior Design Committee (EDC), provided a Power Point presentation. The Committee was formed last fall and was charged with an evaluation of the building exterior and recommendations. Owner members were Josh Chebul, Kathy Chinoy, Ron Joy, Ron Crist, Sue Sorenson, Dennis Murphy, Ben Duhl, Ingrid Basier and David Ehrenberger. Concerns included the condition of the siding and windows, and defects in the siding due to age, weather and construction quality. There would be a potential impact if there was water barrier failure on the infrastructure and possible rot, pests, incremental cost of delayed repair, an impact on property value and aesthetics.

The EDC met seven times, provided two presentations to the Board, conducted site visits, contractor meetings and had guided tours. The EDC due diligence included two structural engineers, Cona Criterium Engineers and Endeavor Exteriors, vetting five regional architectural firms and selecting Savage Architecture, vetting five General Contractors and pursuing bids pending the final design. Regional condominium comps for siding renovation projects are \$17,000 – \$69,000 per unit at four other Associations.

David Ehrenberg reviewed the summary of conclusions and recommendations:

1. The condition of the siding is poor and outdated, threatening the structural integrity of the buildings.
2. The EDC recommends full renovation of the complex to maintain value and add durability to the facility.
3. Regional comps demonstrate similarly sized and aged properties have made the decision to renovate and provide examples of costs and aesthetic improvements.
4. The siding renovation cost is estimated to be \$2 - \$3 million.
5. The proposed timeline is spring 2019 with completion by fall 2019.
6. Piecemeal repairs are not recommended since the current poor condition would warrant extensive and expensive work. The contractors strongly concur.
7. Failure to make a decision to proceed serves no purpose but to delay the inevitable and at a substantial incremental cost.

Dennis Murphy reviewed the proposed scope of work:

1. Remove siding, repair underlying wood rot. Consider lesser work in vestibule interiors if possible for cost savings.
2. Rewrap and seal all buildings with good quality thermal/vapor sealing barrier.
3. Install new siding materials for durability and aesthetics.
4. Install approximately 3' of wainscoting (stone, metal or stucco) along the bases of all buildings.

5. Repair or replace all soffits, fascia and gutters as required.
6. Rework attic venting to improve ventilation and eliminate vermin.
7. Replace the 73 guest bedroom triple sash windows. There could be an option for all owners to replace other windows and patio doors at favorable cost. Owners who have already replaced windows or doors with suitable materials may receive some amount of credit.
8. Replace balcony railings and decking with a Trex-type product and repair, repaint and re-install railings.
9. Paint, stain and finish all new materials.
10. Stain and reseal all entry stairs, landings, vestibules and railings.
11. Replace exterior numbering and signage with code compliant numerals.

The two proposed finance options would be for the Board to determine equitable assessments with payments phased in as needed for contractor payments or for the Board to arrange financing with local bank for 5 - 10 years with repayments added to monthly dues. This would have to be approved by at least 51% of the membership.

The next steps are for the owners to authorize the Board to proceed to the next level of design and for the Board to present a Board-approved, detailed final proposal for an owner vote in about 60 days. The final proposal should include the scope, price, timeline, contractor selection, widow options and prices and financing and payment options for the Association and owners (home equity loans, simple assessment or a combination).

Owner questions and comments were as follows:

1. Q: Does the Board believe it will be possible to secure a contractor? A: Yes.
2. Q: Who will manage the construction? A: A Project Manager will be hired.
3. Q: Will there be a tiered approach to the project? A: There will be a design and materials standard recommended and within that, options to value engineer to reduce the cost.
4. Q: Has renovating one building as a "pilot" been considered? A: The Board discussed this approach but concluded it would not be practical.
5. An owner commented the management company let the property fall into disrepair and should be replaced.

Adam Savage of Savage Construction reviewed his proposed design options.

There would be a \$15,000 expense to proceed to the next step of selecting a design with the architect that can be put out to bid. In a show of hands, 32 of the owners present were in favor of proceeding. Owners were asked to email Kevin Lovett their desired price range for the project.

Thane De Puey proposed that the Board investigate changing the governing documents so the Board cannot levy an owner assessment greater than \$15,000. In a show of hands, 27 owners were in favor of this action.

B. Association-Owned Rental Unit Sale Status

At the last meeting, the Board voted to put Unit D101 up for sale. It is listed with ReMax (\$503,000 as is) but will not be in MLS until the tenant vacates on July 2, 2018. Several owners challenged the Board's authority to sell the unit without an owner vote. Thane De Puey said the attorney confirmed that the Board has the authority. Two emails were sent to all owners requesting feedback and only ten responses were received. A portion of the proceeds may be used for repairing the drainage in front of Buildings A, B and C and the remainder would be put to Reserves.

IX. ELECTION OF DIRECTORS

The Board has been operating with nine members this past year. It was recently determined that the Bylaws specify a maximum of seven Board members. The terms of Bob Seibert, Madeline Mishkind and Dennis Burke have expired. Bob Seibert and Dennis Burke are running again and Dennis Murphy and Ingrid Basier have expressed interest.

After discussion, it was agreed to establish the nominations, to recess the meeting, to retain the current Board and to seek legal advice regarding how to proceed.

Nominations were as follows: Kathy Chinoy nominated Ron Joy and Andrew Tofe seconded. Ron Joy nominated Kathy Chinoy and Cynthia Lowe seconded. Janet Joy nominated David Ehrenberger and Doris McFeeters seconded. Thane De Puey nominated Bob Seibert, Dennis Burke and Ingrid Basier and Hubbard Helm seconded. Cynthia Lowe nominated the four Board members who were elected last year in case the election has to be held again. Kathy Chinoy seconded. Dennis Murphy withdrew his name from the race.

All candidates were asked to send biographical information to Kevin Lovett.

X. NEXT MEETING DATE

The next Annual Meeting will be held on Saturday, June 29, 2019 at 1:30 p.m.

XI. RECESS THE MEETING

Janet Joy motioned to recess the meeting at 4:14 p.m. It will be reconvened after legal advice has been received for completing the Board election. The motion was seconded and carried.

Approved By: _____
Board Member Signature

Date: _____