

**Lion's Gate Pines Lodge Condominium Association
Annual Homeowners' Meeting
Saturday, August 22, 2009 – 10:00 a.m.
Littleton United Methodist Church**

BOARD MEMBERS PRESENT: Jim Harris (Vice President), Jim Speckmann (Secretary), Bill Robbins (Treasurer), Harry Olson

OTHERS PRESENT: Brian Lence (CMC President), Matt Priebe (CMC Property Manager), Cheri Corbin (CMC Housekeeping Manager)

CALL TO ORDER: President Kay Eiseman could not attend the meeting today. In her absence, Vice President Jim Harris called the meeting to order at 10:00 a.m.

WELCOME BY BOARD VICE PRESIDENT, JIM HARRIS:

- Jim Harris welcomed the Lion's Gate homeowners.
- He thanked the homeowners for attending because it makes a difference. It is important for homeowners be involved because they have an investment in Lion's Gate.

INTRODUCTIONS BY BOARD VICE PRESIDENT, JIM HARRIS:

- Jim Harris introduced the current Board of Directors for Lion's Gate:
 - Jim Speckmann, Secretary
 - Bill Robbins, Treasurer
 - Harry Olson, Director at Large
- He thanked Harry for his work on the Board, as he will not be renewing his term.
- The Board meets on a regular basis & work when they are at Lion's Gate during their timeshare weeks. They look around & write lists of improvements to be done, which is given to Kay & CMC for action. They are owners as you are owners & want the property to be the best it can be.
- Jim introduced Brian Lence, President of Condominium Management Company. Brian introduced the other CMC representatives present:
 - Becky Varga, Assistant Financial Controller for the past year
 - Cheri Corbin, the new Housekeeping Manager as of June 2009
 - Matt Priebe, Property Manager for the past 4-5 years

QUORUM VERIFICATION:

- 10.13% ownership is required for a quorum.
- Secretary Jim Speckmann had taken a count the members present & proxies received. It was determined a quorum was met.

APPROVAL OF 2008 ANNUAL MEETING MINUTES:

- Secretary Jim Speckmann asked members present to review the 2008 minutes provided in the meeting packets.
- Julia Andrews-Jones made a motion to approve the 2008 meeting minutes.
- Janice Gulick seconded the motion.
- A vote was taken. The August 23, 2008 annual meeting minutes were approved as written.

PROPERTY MANAGEMENT REPORT:

- **Financial Report:**
 - Brian Lence presented the Balance Sheet as of 6/30/09:

- Cash In Bank represents the association's checking account used to pay operating expenses. The balance as of 6/30/09 was \$49,717.
- The association has 3 money market accounts, totaling \$215,763. Interest rates are low now, approximately 1-2%. These are very liquid accounts & money is transferred to the operating checking account as needed.
- The association has 3 CDARs, or Certificate of Deposit Account Registry. Each CDAR is over \$60,000. The FDIC guarantees funds up to a certain limit if a bank goes under. CDARs are CDs taken from a local bank & they in turn purchase from a different institution.
- Accounts Payable of \$32,279 is primarily funds due to CMC for monthly fees & work orders.
- Previous Year's Receipts of \$710,737 represents prior years' surplus carried forward.
- Current Over/Under Assessment of \$231,480 is the year-to-date surplus.
- There are 2 Reserve Funds, one for Interior & one for Common Areas with a total balance of -\$372,411. The balance was carried forward from 2008 when there was a lot of money spent for capital improvements to the complex.
- Brian presented the Income Statement for the period 1/1/09 to 6/30/09:
 - Inventory Week Sold income of \$1,009 represents 2 Lion's Gate Pines owned units sold this fiscal year.
 - Legal Re-Bill Income of \$18,535 is the legal costs paid by the association then billed back to the unit owners. This should offset the Legal Re-Billing expense, currently \$19,568. The variance is due to timing.
 - Interest Income is interest earned from the money market & CDAR accounts. The current balance is \$3,450, which is \$2,950 over budget.
 - Wi-Fi Income is the income generated from owner's payment for use of the wireless internet. Similar to Legal Re-Bill, this income should offset the Wi-Fi Internet Expense, with the difference due to timing. Wi-Fi use costs \$6.95 per day.
 - Finance Charges represent the late fees billed to delinquent accounts. The current year-to-date balance is \$3,673.
 - Other Income of \$2,280 is the result of a refund from Mountain Parks Electric.
 - Bad Debt Expense, currently \$26,821, is the un-recoverable dues from owners who lost their units through a sheriff's sale due to a delinquent account. This is an un-budgeted expense item.
 - Water & Sanitation Expense was \$4,661 under budget for the year. CMC's accounting department contacted the water department, who had changed to a new billing system earlier in the year. They had overlooked billing the association & will resume billing immediately. They will not back charge the association for the prior un-billed months.
 - Carpet/Wall Covering & Linen Expenses budgeted for a total of \$22,700 year-to-date have not yet been spent.
 - Carpet/Spring Cleans are contracted out & their square foot rate increased a little, resulting in the expense being \$1,809 over budget. Carpet cleaning is only done in the spring. The Board would need to determine if it should be done twice a year.
 - Extraordinary Expense year-to-date is \$45,406 which is \$6,900 over budget. These are maintenance items that are not included in the contract with CMC property management.
 - Snow Removal Expense was \$7,090 over budget due to the extra expense for roof snow removal. Being proactive on the roof snow removal made a big impact by reducing leaks & the expense for repairing those leaks.

- Overall year-to-date surplus of \$231,480 is only \$3,426 under budget. The Board has done a good job at reviewing & controlling costs.
- **Common Area Maintenance Report:**
 - Matt Priebe highlighted year-to-date common area maintenance:
 - The Board approved landscaping last year. Spruce & Aspen were planted. One tree died but it was replaced under warranty. The trees are sprayed every year. Only 2 trees were removed this year, compared to 6 last year.
 - Brick patios & walkways were cleaned up & repacked.
 - The north side is scheduled for deck replacement. The south side has Trex decking, which need little maintenance.
 - The exterior will need to be re-painted in a few years.
 - New rocks were added to the parking lot.
 - The dumpster was replaced with one that has a sliding door. There have not been any bears so far this year.
 - The roof is inspected annually in the summer.
 - The building has a 2 boiler system. One boiler failed this year & was replaced with a higher efficiency model. The boilers have been inspected & are ready for the winter.
 - The Board approved replacement of the vanity countertops in the men's & women's locker rooms. Tile floor was expanded, carpet replaced & runners put down.
 - The game room has a new ping pong table & the air hockey game has new parts.
 - **Action Item: The Board requested a bid for building storage cabinets with key locks for the game room equipment.**
 - Some of the wheel chair ramp concrete has deteriorated, partly due to the equipment used by the company who installed the boiler. That company will pay for part of the cost to repair the damage.
 - The chains in the parking lot will be removed & replaced with split rail fence.
 - **Action Item: Runners are to be put down where people step out of the hot tub to prevent falls.**
- **Housekeeping Report:**
 - Cheri Corbin presented a review the housekeeping department:
 - Housekeeping staff are wearing T-shirts so they can be easily identified by owner.
 - There is a new towel exchange policy, which has been laminated & posted to the back of each unit's door. A bag is provided for dirty linens. Staff has been hired to be in charge of towel exchanges & unit inspections during the busy season.
 - Unit can be "tidied" during a stay for a small fee.
 - Unit kitchens will be organized during the slow season to insure all units are stocked with the same utensils/equipment.
 - Towels for pools are marked as being pool towels only. Please keep them separate from unit towel.
 - **Action Item: Salt & pepper to be added to the unit kitchen inventory.**

LION'S GATE PINES BOARD OF DIRECTORS REPORT:

- Jim Speckmann presented the Lion's Gate Pines Lodge Annual Meeting package prepared for the meeting by the Board of Directors:
 - A worksheet with the total budgeted operating & actual expenses dating from 1997 to the present was presented. The worksheet indicated the amount of money is needed to maintain the Lion's Gate property.
 - A worksheet showing the projected revenues from dues verse the actual revenues received compared to the actual expenses was presented. It was noted that many owners have had units for 20 years & are now senior citizens, many of whom want to sell. There are a lot of

owners who do not pay which cuts into the budget for paying for increasing maintenance costs & continued upgrades.

- Possible improvement for 2009-2010 include:
 - Bedspread & curtain replacement.
 - Cabinet re-facing – 3 or 4 bids have been received but the Board would like more.
 - Paving of the parking lot – some bids were received a few years ago but priced have go up.
 - TV's in the bedroom – there is currently an agreement in place with Comcast, so if there is a desire to move TV's they will need to get more cable, thus more expense.
 - Janice Gulick asked if the Board proceeded with the suggested improvement, would they be able to maintain current owner's dues, particularly with the current economic conditions & the increase of units foreclosing. Jim Harris stated the Board is trying to be sensitive but improvements need to be made & they are looking at alternatives to keep expenses low. The Board has not discussed increases at this time.

WINTER PARK/GRAND COUNTY UPDATE:

- Brian Lence gave an update on what is going on in Winter Park & Grand County:
 - The ski resort base area village is completed. The new Cabriolet connecting the Vintage Hotel parking lot to the village was operational last winter however it is still a long walk to the ski lifts. There are a few new restaurants but still un-occupied retail/commercial space.
 - Fraser Crossing & Founder's Point condominiums are complete, adding 210 new units to the base area. They are incredibly competitive on rental rates.
 - Rentals were down valley wide about 25-35% last year & expected to be the same this year.
 - There have been a number of establishments in town that have gone out of business. The problem is the seasonality of the business & there is usually not enough to keep them going during the down seasons.
 - New development is basically on hold. Developers have finished what they had been building & have stopped further construction until the economy improves.
 - The Grand Park Recreation Center should be completed this winter. The gas station & market at Grand Park are complete.
 - Beetle kill trees are still a problem & changing the face of the landscape in the area.
 - Jack Sheets asked about the local shuttle bus service. It was discontinued for the summer due to the cost. It is funded during the winter by the ski resort to run until 5:00 pm. Local community associations fund the service from 5:00-11:00 pm during the winter.
 - Janice Gulick asked about the Braidwood expansion. The developer is in bankruptcy & it will not happen at this time.

ELECTION OF BOARD OF DIRECTORS:

- All positions on the Board of Directors have 1-year terms.
- There were 6 candidates for the 5 Board of Directors position.
- With ballots collected from members present & proxies received, the following were voted to the 2010 Board of Directors:
 - Kay Eiseman
 - Jim Harris
 - Jim Speckmann
 - Bill Robbins
 - Jim Hewett
- Janice Gulick motioned to accept the votes as cast, seconded by Jack Sheets. All were in favor to accept the votes for the Board of Directors as cast.

- Jack Sheet motioned that the ballots & proxies be destroyed. Jim Harris & Jim Speckmann agreed the ballots & proxies will be destroyed.

General Discussion:

- Betty Stone asked about giving credit card numbers at check-in. Most hotels have this procedure in order to charge guests if there are damages, & the Board decided it would be prudent to have this policy. Jack Sheets asked if there was a follow-up procedure in place. **Action Item: Brian to check with Linda Williams, front desk manager, about follow-up procedures for credit cards taken for damage deposit.**
- Owners should get a notice about requesting keys from Barbara at the front desk 4-6 weeks before their interval week.
- Betty Stone commented that when approaching the CMC maintenance staff about the boiler malfunction, the staff member was patronizing. The Board said owners should get the name of any CMC staff member who may be rude or patronizing & report them. On the other hand, staff members who go above & beyond should be commended as well.

ADJOURNMENT: Motion was made & seconded to adjourn. The meeting was adjourned at 11:20 a.m.

Minutes recorded by Becky Varga of CMC & reviewed by the Board of Directors prior to distribution. Minutes are not formally approved until voted on at the next Homeowners Meeting.

APPROVED