

Lake Forest Siding Renovation Project

Frequently Asked Questions (F.A.Q.s)

1. Why are we doing this? What problems are we solving?

Work began in early 2017 with our Reserve Studies to investigate the condition of our buildings' exteriors, which confirmed and documented extensive defects due to age, weather and construction quality. Formal engineering evaluations showed that our siding is nearing its "end of useful life" with significant risks of water barrier failure, wood rot, structural elements failure and pest infestation.

2. What is included in the work?

1. All new siding, soffits, fascia, trim work, gutters, heat tapes and protective flashings for all 6 residential buildings and 10 garage buildings.
2. Natural stone and metal wainscoting at the base of all buildings to prevent future deterioration from snow, ice and water build-ups.
3. New, low maintenance balcony decking.
4. New, long life aluminum railings on all decks and patios.
5. Replacement windows for all 3-sash guest bedrooms.
6. Options for individual owners to replace other windows and doors at attractive prices is included in the general contractors work.
7. Painting of all other exterior surfaces with new, long life paints and sealers.

3. What will be the construction period?

Construction activity would start April 15, 2019. We expect to have substantial completion by October 1, 2019.

4. Our Reserve study shows a cost of \$1,710,000 for siding and staining. Why is the cost now \$3,132,000 ?

It was found that just doing siding alone did not address all the existing problems and that the other tasks were required to be done together. See question #2 above for all the work items.

5. \$40,000+ seems to be a huge amount to be asking without a vote by the owners.

Our Condo Documents stipulate that the Board of Governors (Directors) have the responsibility to maintain the buildings and the fiduciary obligation to do so in the best interests of all unit owners. In short, unit owners elect the Board members. The Board members, acting in good faith for all unit owners, determine the requirements, procedures and costs to maintain the buildings, now and for the future.

Unit owner voting is required in order for the HOA to secure outside financing or to pledge the revenue from routine monthly assessments. The Board decided against using

outside financing due to the burdensome requirements and significant extra costs of commercial lending institutions.

It was not possible to establish a cost for the project until the requirements were known, materials researched and plans drawn. Once that was done, we solicited general contractor bids. We interviewed, checked references and conducted discussions with five potential contractors. Three of them submitted comprehensive proposals; we selected one, Excellent Construction. The construction cost of the project was thus established by competitive bidding at \$3,000,000. Ancillary, administrative and enhanced building elements approved by the Board bring the total project cost to \$3,132,000. That breaks down to an assessment of \$41,624 for each 2-bedroom unit and \$44,960 for each 3-bedroom unit.

6. Why are we given such a short notice of this Special Assessment?

The residing project was discussed and considered at several Board meetings in early 2017. On September 5, 2017, the Board established the EDC to study, develop and present a plan. Since that time there have been numerous public meetings, questionnaires, owner responses & suggestions and detailed reports by the EDC.

A major factor about timing relates to the unique conditions of our environment in Summit County. First, exterior construction activity can only be accomplished during our summer season, usually April through September each year. Second, there are enormous savings to be realized by doing the project in one season. Third, there is only a small set of qualified general contractors available in Summit County that are available to take on a project like ours, none of which recommended or wanted to bid on a multi-year construction period contract. Lastly, the inconveniences, disruptions, noise and restrictions of unit occupancy over more than one season would present an undo burden to owners enjoyment of their condos.

7. What will be the cost of waiting another year or two?

The EDC has gathered information on this possibility from all contractors and from local building materials suppliers. The consensus is to expect an annual increase of 8% for materials and 10% increase for labor, per year, during the next few years.

8. Can we just do some now and more later?

It was discovered during our studies, that most of the work projected is interrelated. For example, changing the siding and adding the protective water barriers (wainscoting) will change the appearance of the buildings to such an extent that it is impractical to do the project on a "multi year, phased in" method. Furthermore, no general contractor will commit to prices or availability of materials over a multi-year basis.

9. Why not just use cheaper materials?

The EDC has done extensive research and made multiple site visits to similar, current projects. We have concluded that the LP Smartside material with the Diamondkote® finish is far superior to any other possible re-siding materials. This product is competitively priced with natural cedar timber or Hardiboard®, etc. but is far superior in durability and ease of installation. The manufacturer provides a 30-year warranty, even against fading.

10. Did we get competitive bids for the project?

The EDC had in depth discussions and solicited bids from five, well qualified general contractors. Three of them submitted comprehensive and itemized cost proposals. Following in-depth discussions with the three, the EDC selected Excellent Construction due to attractive price and highest rating on the other factors, such as references, experience, subcontractor relationships, understanding of alpine construction issues, etc.

11. What happens if a unit owner does to not pay the assessment when due?

There very specific terms, conditions and procedures spelled out the Section 6 of our Condominium Documents. See the web site for ARTICLE VI of the:

***Resolution of Lake Forest Condominium Association
Responsible Governance Policy and Procedures.***

12. Will there be any disruptions or limitations to use and enjoyment of our units during the construction period?

YES, due to safety and work scheduling, decks and patios will be totally blocked, with no access permitted for a period of about 6 weeks during the summer. Also, there will be a few days in the later summer when painting of the vestibules is underway that no access to the units can be permitted. Schedules for these periods will be posted with as much advance notice as possible. It will be the responsibility of each unit owner to make personal and guest arrangements to accommodate these inaccessible periods.

13. How will doing this project now affect future maintenance costs?

Not only will completion of this project correct many deficiencies and maintenance problems with our existing structures, we will be using modern materials and construction techniques to dramatically reduce the costs of future building maintenance. The materials proposed have an expected life span of more than 30 years.