

November 18, 2016

Dear Nordland Villa Owner,

The Board of Directors of Nordland Villa Condominium is pleased to inform you that the Operating Budget and Scope of Work and Preliminary Budget for the Renovations to the Common areas at Nordland were both adopted at the Directors' Board Meeting on November 14th, 2016.

The renovation project is budgeted at \$166,325 - \$11,035 from Smuggs and the balance from Full and Club Owners of \$150,000 with a draw down on existing reserve funds of \$7,325. The assessment for the project will be:

Studios N01 - N09	\$ 4,434.99
Studios N10 - N15	\$ 4,597.04
Lofts N16 - N31	\$ 5,485.92

The special assessment will be invoiced in **two** installments (net 30 days), with the first one being billed on November 30, 2016 and the second one on February 28, 2107. The Board has approved a 3% discount if the total assessment is paid in full by Dec. 31, 2016.

The 2017 Operating Budget for Nordland was approved at a total of \$67,886.85, about 3% above 2016. The regular assessments will be invoiced in January, April, July, and October in 2017. **See attached details for 2017 Nordland Operating Budget and assessment schedule.**

Enclosed are the Minutes of the Board of Directors' Meeting of November 14th, 2016 and the Scope of Work and Preliminary Budget. To assist you in reviewing the Scope of Work/Preliminary Budget, we have enclosed some notes and provided additional information about the project. No doubt you will have additional questions or concerns that can be addressed either at nordlandreno@gmail.com or by attending the ratification meeting by teleconference.

The next step in the approval process will be for the Homeowners to either accept or reject both the Scope of Work, Preliminary Budget and the Approved Association Operating Budget for 2017 at the Meeting on Monday, November 28th at 4:00 pm..

We are very excited about the renovation project and hope that you will support us in this endeavor. If you are unable to attend the meeting, please request a proxy from Joe at SNHA: joe@snha.net, making sure it is returned by noon on Monday, November 28th to be counted.

We look forward to hearing from you.

The Board

Ron Graham N21

Hugh Thom N17

Ruth Mayville (SNMC designate Commercial Space and Club Owners)

cc SNHA

<http://www.snha.net/regimes-a-buildings/nordland>

Nordland Villa Condominium

Directors Meeting - Minutes

November 14, 2014

Attendees

N 28 – Mike Woulf

N 17 – Hugh Thom - Director

Ruth Mayville – Director and Club Home representative

N 27 - Jeanette Hansen

N 21 – Ron Graham - Director

SNHA - Joe Hester Ingram

Meeting – Hugh Thom called the meeting to order at 7:10 PM. All Directors were present and homeowners were in attendance as listed above. Joe Hester Ingram of Smugglers' Notch Homeowners' Association, Inc. was also present as agent for Nordland.

Housekeeping items: The Directors reviewed previous extra ordinary Board decisions – Hugh presented and described.

- Adoption of Collections Policy – as posted on SNHA.net web site – Nordland page
- Retainer to be paid to Rebecca Tisbert to Develop Scope of Improvement Plan Work and Preliminary Budget, not to exceed \$1,200
- Cedar Creek Rear Roof at a contracted price of \$ 42,000
- Removal of Electrical Transformer Shed by Smuggs
- Replacement of Fence at Rear of Property by Smuggs
- Removal of Coke Machine by Smuggs

Ruth Moved and Ron seconded a motion to ratify and confirm previous approval of decisions. All Directors approved.

Review of Financials and Year End Projections - Joe presented reports as follows and as posted on SNHA.net web site link - <http://www.snha.net/regimes-a-buildings/nordland> :

- **Balance Report** – Nordland is on track to end the year with a positive balance. The reserve fund balance is projected to be about \$40,000 at year's end. These reserve funds are sufficient for near term projects not related to the Improvement Project, with a modest amount available to supplement the Improvement project funding if needed.
- **2016 Year to Date Income and Expense Report** – A positive net will be available from income - expense that will be applied to the reserve as described above. 2016 Expenses are as predicted except for snow removal and common area maintenance. Snow did not fall in 2016, so funds not needed for snow removal will be added to reserves. Maintenance task projections were put on hold until the Improvement Plan could be developed and implemented, so as not to spend funds on maintenance for items that will be replaced. Special Projects on the report relate to individual homes and are charged back to respective homes to bring these accounts into a

break-even position by the end of the year. As of November 14, LP Gas shows a greater expense than income because deliveries of gas have been paid that will be used and recovered by the homes using gas by the end of the year. A small amount of income tagged as Master Policy income is shown in a separate income account and represents the cost of contents coverage for Club homes which is a part of the master policy but is paid for by the club homes who hold this coverage. If we have no other common area expenses by year end, the \$31,000 net will be applied to the Reserve fund as described above.

- **Operating Budget 2017** – Joe Presented the 2017 Budget proposal as posted for operations for 2017. It is showing an increase in assessments to the homes of about 3%. Joe cautioned that the Long Range Plan for Nordland needs review and attention and that future assessments may need to rise at a rate greater than 3% to fully fund the future needs for Nordland. The absence of homeowner Directors in recent years has left SNHA and Smugglers without a clear signal from the Nordland homeowners about how they wished to plan for the future. He pointed out that the Nordland homeowners should appreciate Ron and Hugh stepping forward to serve as Directors and address these issues. The Directors agreed that the plan needs attention and will institute a review early in 2017 to take a closer look at the Long Range Maintenance plans. **Ron moved to adopt the operating portion of the budget as presented with an assessment for operations at \$67,887. Hugh seconded. All agreed.** Jeanette stated concerned about common hallway cleanliness. The group reviewed options for processing feedback from homeowners on these issues, and will advise homeowners at the next meeting.

Nordland Renewal Project - Scope of Work and Preliminary Budget – Hugh reviewed the process that has been used to develop the project scope and walked the group through the scope of work and numbers that Becky Tisbert has developed. See pp 9-10 of the meeting materials as posted on the web.

Multi-phase process – Hugh reported and the group reviewed:

- Becky Tisbert was engaged in the late summer – early fall to develop scope and budget. See web posted materials.
- Present and approve a scope and budget and present to the homes for ratification – current meeting 11-14-16.
- Assess and collect the funds in December 2016 and February 2017. If paid up front a discount of 3% will be granted.

Ruth moved to special assess the homeowners for the proposed scope as attached and raise \$150,000 with a 3% discount for paying up front. All approved.

Questions and comments from the floor – Mike discussed his plans to upgrade his interior and expressed his support of the project. He also asked about the basis for the numbers on the scope. Hugh noted that the numbers are mixed – some estimates and some tied to actual quotes. Carpet and painting are actual contractor numbers, while other numbers are estimated from our best research to date. Hugh expressed confidence that the total is representative of the amount needed to accomplish the desired work. Jeanette noted that several years ago, there was discussion about doors being replaced on club homes by Smugglers. There was an appeal to Smugglers to assist with full owners' replacements but a positive response was not forthcoming. Hugh noted that doors are

truly a home responsibility and that Smugglers is supporting this renovation moving forward. Jeanette pointed out that the due dates on the special assessment may be a hardship on a number of homes. Ron said that the values of homes are at risk. Without doing this work, it is likely that resale values will not go up and may even decline further. The special assessment may come back to a homeowner in a sale. Hugh added that feedback has been coming in from both guests and homeowners regarding the negative first impression for Nordland common areas. Prospective home buyers and banks funding mortgages are also paying close attention to the state of health and appearance of the common areas and the level of funding for future reserves. Nordland needs to catch up in both

Reminder of the Home Owner Meeting: Monday November 28th 2016 at 4:00 PM: A communication will be sent to the Homeowners reminding them of the upcoming Meeting to be held to ratify or reject the budget as adopted. Jeanette asked that information for assigning a proxy be included in the meeting reminder.

Motion to adjourn – 8:28 PM

Respectfully submitted,

Joe Hester Ingram
Executive Director
Smugglers' Notch Homeowners' Association, Inc.

Nordland

2017 Assessments per Budget

11/14/2016

Total	67,886.85
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[Linked to Worksheet](#)

	% Undivided Interest	Per Home Charges		% Undivided	Total	Assessments - Totals Rounded Up				
		SNHA Basic Service Fee	SNHA Acct	Nordland Common Charges		Jan	April	July	October	Total Check
		13,760	1,760	52,366.85	67,886.85	16,971.71	16,971.71	16,971.71	16,971.71	67,886.85
N 01	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 02	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 03	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 04	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 05	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 06	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 07	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 08	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 09	0.02819	430	55.00	1,476.22	1,961.22	491.00	491.00	491.00	491.00	1,964.00
N 10	0.02922	430	55.00	1,530.16	2,015.16	504.00	504.00	504.00	504.00	2,016.00
N 11	0.02922	430	55.00	1,530.16	2,015.16	504.00	504.00	504.00	504.00	2,016.00
N 12	0.02922	430	55.00	1,530.16	2,015.16	504.00	504.00	504.00	504.00	2,016.00
N 13	0.02922	430	55.00	1,530.16	2,015.16	504.00	504.00	504.00	504.00	2,016.00
N 14	0.02922	430	55.00	1,530.16	2,015.16	504.00	504.00	504.00	504.00	2,016.00
N 15	0.02922	430	55.00	1,530.16	2,015.16	504.00	504.00	504.00	504.00	2,016.00
N 16	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 17	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 18	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 19	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 20	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 21	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 22	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 23	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 24	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 25	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 26	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 27	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 28	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 29	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 30	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 31	0.03487	430	55.00	1,826.03	2,311.03	578.00	578.00	578.00	578.00	2,312.00
N 32 Comm	0.01305	430	55.00	683.39	1,168.39	293.00	293.00	293.00	293.00	1,172.00
	1.00000	13,760	1760.00	52,366.85	67,886.85	16,984.00	16,984.00	16,984.00	16,984.00	67,936.00
Rounded Totals										

Nordland Villa Renovation Project
Scope of Work and Preliminary Budget
A Guide to Reader

1. The scope of work was prepared within the parameters of Nordland @ Smuggs Renewal Opportunities / 2016, feedback from Homeowners and input from our Designer, Rebecca Tisbert and the Board.
2. Where known, the budgeted amounts for specific line items have been prepared primarily from historical costs experienced in other buildings or the Resort itself: carpet, painting etc.
3. Where the costs weren't known, or somewhat discretionary, they were estimated based upon the experience of our Designer and the Board.
4. The first page of The Scope of Work/Preliminary spreadsheet deals with common area renovation expenses - Sections 1-7. Section 8-9 Deals with Privately Owned non-common area expenses. New Saflok doors are the responsibility of the individual Homeowner as the doors are not considered common area. The Board strongly recommends that existing doors be replaced, not only for aesthetic reasons but for safety and security. The estimated expense of approximately \$1,000 is in addition to the Common area project assessment.
5. The Resort is contributing an additional \$9,000 for carpet over and above what it is required to do in the declaration. In the early 90's, they recognized the need to do so based on the wear and tear of the lower level and main floor entrance from visitors to Nordland who were not staying in the building.
6. A more definitive Scope of Work and finalized line item Budget will be presented as they become available.
7. Your Directors are committed to bringing the project in within budget and on time and, as such, contingency costs of 8% have not been included.

Question and Answer

- Q. *What period will the building be closed for the renovation project?***
- A. April 9 - May 15. Not only will the building be closed to owners, their guests and RCI renters, we would ask that individual Homeowners who are members of RCI do not allocate this period to RCI.
- Q. *What happens if the project comes in under Budget?***
- A. Any surplus will be restored to the Reserve Fund.
- Q. *Why will some of the projects not be tendered to more than one supplier?***
- A. The Resort and surrounding area at times has only one or two suppliers who can meet the requirements of the Scope of Work and deliver on time.
- Q. *Why are the scheduled installments for the assessment so close together? Couldn't they be spread out or be more numerous?***
- A. The Board does not have sufficient reserves to begin the project and has determined that the monies be collected prior to commencement of the project on April 9th.

Q. *Couldn't we break the project down so it can be done over a couple of years?*

A. Unfortunately, no. To string it out would result in higher costs, more inconvenience to Club Owners and RCI Guests. It may also run the risk of losing some of the wow factor or first impression on entering the building or walking the Hallways.

Q. *Will Homeowners be kept abreast of the project development, designer recommendations and Board decisions regarding color of the building, carpet and choice of furniture.*

A. Yes, we are planning to send out a newsletter and photos of the renovations periodically during the construction period.

Q. *What happens next?*

A. Once the project is ratified by the Homeowners, the first of two assessments will be forthcoming. In addition, Ms. Tisbert will begin to develop a very detailed scope of work for the purpose of tender and to update the Board with firm costs.

Q. *If I have questions about the renovation project or other things relating to Nordland, to whom do I turn?*

A. Contact the Nordland website: nordlandreno@gmail.com or joe@snha.net

Q. *Where can I find out more information about the renovation project?*

A. Go to SNHA.net, click on Regimes and Buildings, click on Nordland.

Q. *What if there are cost overruns?*

A. The Board is committed to staying within the budget. The project will be delivered on time and with a budget \$157,325, \$150,000 coming from this assessment and the balance from Reserves.

Q. *Why didn't you use more of the Reserve Funds to pay for this project?*

A. It is necessary to leave a significant sum of monies in the Reserve Fund in order to provide for unscheduled or unexpected expenses.

Q. *Can I stay in the building during the renovation construction period?*

A. Unfortunately no. Liability issues may arise and hallways and entrances may present safety hazards.

Q. *When will our homes be blocked out for Spring Cleaning*

A. May 7 -21

Q. *If I decide to install Saflok and a new door will security be provided during installation?*

A. Yes

Q. *Why is the assessment discounted by 3% if paid in full by December 31, 2016?*

A. It is hoped that some Homeowners will be able to take advantage of this offer in order that we might accelerate our cash flow so we will be able to commit to some of our suppliers who require longer lead time to supply product.

Nordland Villas

Breakdown of Finances

Proposed Spring 2017 Renovations

based on undivided interest in declaration

Last Updated: 11/17/2016

Location	Line Item	Description (Details)	Total Cost	Full Owners Home Owners 0.79109*	Club Owners Club Owners 0.19586	Commercial Smuggs 0.01305
Commonarea			Total Common Area Cost (1-7) \$ 157,325.00	\$ 124,458.23	\$ 30,813.67	\$ 2,053.09
			**Without Contingency	\$ 124,458.23	\$ 30,813.67	\$ 2,053.09
(1) Exterior			\$ 32,000.00	\$ 25,314.88	\$ 6,267.52	\$ 417.60
	Paint / Stain Exterior		\$ 18,000.00	\$ 14,239.62	\$ 3,525.48	\$ 234.90
	Replace Exterior Lighting	Down Lighting	\$ 5,000.00	\$ 3,955.45	\$ 979.30	\$ 65.25
	New Landscaping		\$ 4,000.00	\$ 3,164.36	\$ 783.44	\$ 52.20
	Replace Exterior Entrance Sign		\$ 5,000.00	\$ 3,955.45	\$ 979.30	\$ 65.25
(2) Entrance			\$ 14,200.00	\$ 11,233.48	\$ 2,781.21	\$ 185.31
	New Lighting		\$ 2,000.00	\$ 1,582.18	\$ 391.72	\$ 26.10
	New Signage		\$ 1,500.00	\$ 1,186.64	\$ 293.79	\$ 19.58
	Add Scandinavian style Furniture		\$ 2,500.00	\$ 1,977.73	\$ 489.65	\$ 32.63
	Add new passage doors (2)		\$ 1,200.00	\$ 949.31	\$ 235.03	\$ 15.66
	Paint Trim and Railings		\$ 800.00	\$ 632.87	\$ 156.69	\$ 10.44
	Change/ add artwork		\$ 500.00	\$ 395.55	\$ 97.93	\$ 6.53
	Paint window trims black		\$ 1,500.00	\$ 1,186.64	\$ 293.79	\$ 19.58
	New Front Doors		\$ 3,000.00	\$ 2,373.27	\$ 587.58	\$ 39.15
	Replace Slider doors with Windows		\$ 1,200.00	\$ 949.31	\$ 235.03	\$ 15.66
(3) Hall ways			\$ 75,450.00	\$ 59,687.74	\$ 14,777.64	\$ 984.62
	Remove carpeted wainscotting	Demo	\$ 2,500.00	\$ 1,977.73	\$ 489.65	\$ 32.63
	Add wood element to walls	wainscotting or wood detail	\$ 6,500.00	\$ 5,142.09	\$ 1,273.09	\$ 84.83
	Add new Passage doors (4)		\$ 2,400.00	\$ 1,898.62	\$ 470.06	\$ 31.32
	Replace carpet with a more natural color carpet		\$ 20,000.00	\$ 15,821.80	\$ 3,917.20	\$ 261.00
	Remove popcorn ceiling, paint white		\$ 8,500.00	\$ 6,724.27	\$ 1,664.81	\$ 110.93
	Paint halls		\$ 15,000.00	\$ 11,866.35	\$ 2,937.90	\$ 195.75
	Add more wayfinding signage	(signs that direct people towards a specific space)	\$ 1,500.00	\$ 1,186.64	\$ 293.79	\$ 19.58
	Replace ceiling tiles on basement level		\$ 2,800.00	\$ 2,215.05	\$ 548.41	\$ 36.54
	Replace lighting		\$ 7,000.00	\$ 5,537.63	\$ 1,371.02	\$ 91.35
	Add artwork to walls		\$ 3,000.00	\$ 2,373.27	\$ 587.58	\$ 39.15
	New Trash chute		\$ 250.00	\$ 197.77	\$ 48.97	\$ 3.26
	New Baseboard Heat Throughout		\$ 6,000.00	\$ 4,746.54	\$ 1,175.16	\$ 78.30
(4) Ski Lockers			\$ 8,800.00	\$ 6,961.59	\$ 1,723.57	\$ 114.84
	Relocating existing closet doors		\$ 1,000.00	\$ 791.09	\$ 195.86	\$ 13.05
	Sound attenuation panels on inside		\$ 700.00	\$ 553.76	\$ 137.10	\$ 9.14
	Saflock Doors (2)(Includes hardware and doors)		\$ 1,600.00	\$ 1,265.74	\$ 313.38	\$ 20.88
	Hangers		\$ 5,000.00	\$ 3,955.45	\$ 979.30	\$ 65.25
	Signage		\$ 500.00	\$ 395.55	\$ 97.93	\$ 6.53
(5) Bathrooms			\$ 4,750.00	\$ 3,757.68	\$ 930.34	\$ 61.99
	Demo Milkboard walls		\$ 550.00	\$ 435.10	\$ 107.72	\$ 7.18
	Tile		\$ 1,000.00	\$ 791.09	\$ 195.86	\$ 13.05
	Paint		\$ 1,200.00	\$ 949.31	\$ 235.03	\$ 15.66
	Add updated vanities		\$ 1,500.00	\$ 1,186.64	\$ 293.79	\$ 19.58
	Add artwork		\$ 500.00	\$ 395.55	\$ 97.93	\$ 6.53
(6) Laundry Room			\$ 3,300.00	\$ 2,610.60	\$ 646.34	\$ 43.07
	Add Safelock Door for guests and residents only		\$ 800.00	\$ 632.87	\$ 156.69	\$ 10.44
	Add GE Washer and Dryer		\$ 1,500.00	\$ 1,186.64	\$ 293.79	\$ 19.58
	Tile		\$ 1,000.00	\$ 791.09	\$ 195.86	\$ 13.05
(7) Soft Costs			\$ 18,825.00	\$ 14,892.27	\$ 3,687.06	\$ 245.67
	Dumpster		\$ 1,000.00	\$ 791.09	\$ 195.86	\$ 13.05
	Cleaning		\$ 250.00	\$ 197.77	\$ 48.97	\$ 3.26
	Portalets		\$ 125.00	\$ 98.89	\$ 24.48	\$ 1.63
	Storage Trailer		\$ 450.00	\$ 355.99	\$ 88.14	\$ 5.87
	Labor (Carpentry woodwork labor)		\$ 5,000.00	\$ 3,955.45	\$ 979.30	\$ 65.25
	Design and Project Management		\$ 9,000.00	\$ 7,119.81	\$ 1,762.74	\$ 117.45
	SNHA Administration Fee		\$ 1,000.00	\$ 791.09	\$ 195.86	\$ 13.05
	Insurance		\$ 350.00	\$ 276.88	\$ 68.55	\$ 4.57
	Replacement Housing for Club / RCI Guests		\$ 1,650.00	\$ 1,305.30	\$ 323.17	\$ 21.53

Individually Owned and Non- Commonarea

		Total Individually Owned (8 -10)	#			
		\$ 68,800.00	\$	25,000.00	\$	43,800.00
		**Without contingency		25,000.00		43,800.00
(8) Library		\$ 34,800.00	\$	-	\$	34,800.00
New Furniture		\$ 15,000.00	\$	-	\$	15,000.00
Paint book shelves		\$ 500.00	\$	-	\$	500.00
Remove wall paper		\$ 800.00	\$	-	\$	800.00
Paint		\$ 1,000.00	\$	-	\$	1,000.00
Update electronics		\$ 3,000.00	\$	-	\$	3,000.00
New Carpet		\$ 8,000.00	\$	-	\$	8,000.00
Update Lighting		\$ 2,000.00	\$	-	\$	2,000.00
New Artwork		\$ 1,500.00	\$	-	\$	1,500.00
New Safflock Doors (2)		\$ 3,000.00	\$	-	\$	3,000.00
(9) Additional Hallway Obligations by Smuggs		\$ 9,000.00	\$	-	\$	9,000.00
Replace carpet in lower Entrance, Hallway and in "vending space"		\$ 9,000.00				9,000.00
(9) Home Owner Doors		\$ 25,000.00	\$	25,000.00	\$	-
New Safflock unit entry Doors for HO Properties (Door & Harware)		\$ 25,000.00	\$	25,000.00	\$	-
(10) Contingency		\$ 18,090.00	\$	14,132.81	\$	3,391.88
8% of Project	Items 1-9	\$ 18,090.00	\$	14,132.81	\$	3,391.88
Total Project Cost		\$ 244,215.00	\$	163,591.05	\$	34,205.55
	Total Cost	\$ 226,125.00	<i>Total including contingency</i>			
	Contingency (8% of above cost)	\$ 18,090.00				