

**TOWN OF MOUNTAIN VILLAGE
TOWN COUNCIL REGULAR MEETING
THURSDAY, AUGUST 20, 2015, 8:30 AM
2nd FLOOR CONFERENCE ROOM, MOUNTAIN VILLAGE TOWN HALL
455 MOUNTAIN VILLAGE BLVD, MOUNTAIN VILLAGE, COLORADO
AGENDA**

1.	Time	Min	Presenter	Type	
2.	8:30				Call to Order
3.	8:30	30	Reed	Legal	Executive Session for the Purpose of Receiving Legal Advice Pursuant to C.R.S. 24-6-402(b), and for the Purpose of Negotiations Pursuant to C.R.S. 24-6-402(4)e
4.	9:00	5			Public Comment on Non-Agenda Items
5.	9:05 Pg. 3	5	Kennefick	Action	Consideration of Approval of the July 16, 2015 Town Council Regular Meeting Minutes
6.	9:10	10	Council Members	Informational	Council Boards and Commissions Updates: a. Eco Action Partners -Sherry b. Telluride Historical Museum-Sherry c. San Miguel Watershed Coalition – Jett d. Colorado Flights Alliance – Jansen e. Transportation & Parking – MacIntire/Benitez f. Budget & Finance Committee – Caton/McKinley g. Mayor’s Update – Jansen
7.	9:20 Pg. 9	20	Nuttall	Informational	Telluride Regional Airport Authority (TRAA) Bi-Annual Report
8.	9:40 Pg. 36	20	Martelon	Informational	Marketing Telluride Inc. (MTI) Quarterly Report
9.	10:00 Pg. 55	30	Broady	Work Session	Discussion on Solutions for Dangerous Bear/Human Interactions in Mountain Village with Mark Caddy from Division of Wildlife
10.	10:30 Pg. 58	10	Jameson	Action	Consideration of a Resolution Approving a Road Right of Way Encroachment for an Address Monument in the Mountain Village Boulevard Right of Way for Lot SS-811
11.	10:40 Pg. 65	20	Jameson	Action	Second Reading, Public Hearing and Council Vote on an Ordinance to (1) Rezone and (2) Transfer Density from Lot 128 into the Density Bank
12.	11:00 Pg. 158	15	Reed	Action	Consideration of an Amendment to the Amended and Restated Intergovernmental Agreement For the Construction and Ownership of a Joint Service Facility Between the Town and the Telluride Fire Protection District Relative to the Fire Station and Municipal Building
13.	11:15 Pg. 164 & 169	20	Kunz	Informational	Staff Reports: a. Human Resources b. Town Manager
14.	11:35 Pg. 171	60	Kunz	Work Session	Town of Mountain Village Employee Compensation Study
15.	12:35	30			Lunch Break

16.	1:05 Pg. 178, 180, 199	75	Swain Vergari	Presentation Action Work Session	Finance: a. Presentation of the July 2015 Business & Government Activity Report (BAGAR) b. Consideration of the June 2015 Financials c. Town Council 2016 Budget Goal Setting
17.	2:20 Pg. 200	60	Drew	Work Session	Discussion and Review of the Vending Cart Policies and Regulations in the Village Center
18.	3:20	5			Other Business
19.	3:25				Adjourn

Please note that times are approximate and subject to change.

08/07/15

sj

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting Town Hall at 970-369-6406 or email: mvclerk@mtnvillage.org.
A minimum of 48 hours advance notice is required so arrangements can be made to locate requested auxiliary aid(s).



TOWN OF MOUNTAIN VILLAGE
455 Mountain Village Blvd. Suite A
Mountain Village, Co 81435
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Agenda Item #5

**TOWN OF MOUNTAIN VILLAGE
MINUTES OF THE JULY 16, 2015
REGULAR TOWN COUNCIL MEETING**

The meeting of the Town Council was called to order by Mayor Dan Jansen at 8:32 a.m. on Thursday, July 16, 2015 in the Mountain Village Town Hall, 455 Mountain Village Town Hall Boulevard, Mountain Village, Colorado.

Attendance:

The following Town Council members were present and acting:

Dan Jansen, Mayor
Marty McKinley, Mayor Pro-Tem
Michelle Sherry
Dan Caton
Laila Benitez
Bruce MacIntire

The following Town Council members were absent:

Cath Jett

Also in attendance were:

Kim Montgomery, Town Manager	Abel Lannan
Jackie Kennefick, Director of Administration/Town Clerk	Kim Wheels
Susan Johnston, Deputy Town Clerk	Jolana Vanek
Christina Meilander, Administrative Services Coordinator	Heather Knox
Nichole Zangara, Director of Marketing & Business Development	Tom Kennedy
David Reed, Town Attorney	Anton Benitez
Jim Mahoney, Assistant Town Attorney	Jeffrey Fasolo
Kevin Swain, Finance Director	John Howe
Chris Broady, Police Chief	Pete Mitchell
Dave Bangert, Forester	Stephen Elliott
Savannah Jameson, Planner II	Caitlin Ketel
Deanna Drew, Director of Plazas & Environmental Services	Brenda Paulson
Corrie McMills, Human Resources Coordinator	John Irwin
Sue Kunz, Human Resources Director	Dave Schillaci
Paul Reich	Mike Gass
John Howe	

Administration of Oath of Office to Newly Elected Council Members and Election of Mayor and Mayor Pro-Tem (3)

Director of Administration/Town Clerk Jackie Kennefick administered the Oath of Office to the newly elected Council members Dan Jansen, Laila Benitez, Dan Caton and Bruce MacIntire. On a **MOTION** by Marty McKinley and seconded by Michelle Sherry, Council voted unanimously to elect Dan Jansen as the Mayor. Dan Jansen was sworn in as the Mayor. Mayor Jansen called for nominations for Mayor Pro-Tem. On a **MOTION** by Dan Caton and seconded by Michelle Sherry, Council voted unanimously to elect Marty McKinley to the position of Mayor Pro-Tem.

Consideration of Adoption of Rules of Conduct for Meetings and General Business (4)

On a **MOTION** by Michelle Sherry and seconded by Marty McKinley, Council voted unanimously to adopt the Rules of Conduct for Meeting and General Business as presented.

Work Session and Consideration of Council Appointments to Committees, Boards and Commissions: (5)

a. Ethics Commission (One Regular and One Alternate)

On a **MOTION** by Michelle Sherry and seconded by Dan Caton, Council voted unanimously to re-appoint Cath Jett to the regular seat and Marty McKinley as the alternate seat on the Ethics Commission.

b. Budget & Finance Committee (Two Council Members)

On a **MOTION** by Bruce MacIntire and seconded by Michelle Sherry, Council voted unanimously to appoint Marty McKinley and Dan Caton to the Budget and Finance Committee.

c. Mountain Village Condo Association Board

On a **MOTION** by Michelle Sherry and seconded by Marty McKinley, Council voted unanimously to appoint Bruce MacIntire to the Mountain Village Condo Association Board.

d. Colorado Flights Alliance (One Council Member)

On a **MOTION** by Marty McKinley and seconded by Dan Caton, Council voted unanimously to re-appoint Dan Jansen to the Colorado Flights Alliance Board.

e. Eco Action Partners (One Regular and One Alternate)

On a **MOTION** by Dan Jansen and seconded by Marty McKinley, Council voted unanimously to appoint Michelle Sherry to the regular seat on Eco Action Partners Board. There was no appointment made to the alternate position.

f. Telluride Historical Museum (One Council Member)

On a **MOTION** by Dan Jansen and seconded by Marty McKinley Council voted unanimously to appoint Michelle Sherry to the Telluride Historical Museum Board.

g. San Miguel Watershed Coalition (One Council Member)

On a **MOTION** by Dan Jansen and seconded by Dan Caton Council voted unanimously to re-appoint Cath Jett to the San Miguel Watershed Coalition Board.

h. Transportation, Parking & Vehicle Committee (Two Council Members)

On a **MOTION** by Dan Jansen and seconded by Michelle Sherry, Council voted unanimously to appoint Laila Benitez and Bruce MacIntire to the Transportation, Parking and Vehicle Committee.

i. Telluride Mountain Village Owners Association (TMVOA) Gondola Committee (Two Council and/or Staff Representatives)

On a **MOTION** by Dan Jansen and seconded by Bruce MacIntire Council voted unanimously to appoint Marty McKinley and Dan Caton to the TMVOA Gondola Committee.

Council Boards and Commissions Updates: (6)

a. Eco Action Partners – Sherry

Ms. Sherry stated that EAP will be reporting later in the meeting.

b. Telluride Historical Museum

There was no report.

c. San Miguel Watershed Coalition – Jett

There was no report.

d. Colorado Flights Alliance – Jansen

Mayor Jansen stated that CFA is reporting an increase in seat count numbers for the summer. He stated that CFA's payouts to the airline guarantee program will be very low due to increased performance at 80% load numbers or seats sold.

e. Transportation & Parking

There was no report

f. Budget & Finance Committee – Jansen/McKinley

There will be a work session later in the meeting to discuss the 2016 budget process.

g. Mayor's Update – Jansen

The Mayor noted an increase in development activity which will help contribute to economic growth in the community. He stated that there are several hot bed development opportunities currently under discussion.

Public Comment for Non-Agenda Items (7)

Public comment was received by Jolana Vanek.

Consideration of Approval of the June 25, 2015 Town Council Minutes (8)

On a **MOTION** by Marty McKinley and seconded by Michelle Sherry, Council voted unanimously to approve the June 25, 2015 Town Council meeting minutes as presented.

Finance: (9)

Finance Director Kevin Swain presented the following:

a. Presentation of the June 2015 Business & Government Activity Report (BAGAR)

Council discussion ensued.

b. Consideration of the May 2015 Financials

Council discussion ensued. On a **MOTION** by Marty McKinley and seconded by Michelle Sherry, Council voted unanimously to accept the May 2015 Financials.

c. Work Session to Consider and Ratify the Process and Schedule for the Adoption of the 2016 Budget

Mr. Swain stated that a Special Town Council meeting will be scheduled in October to review the second draft of the budget and meet with all department heads. On a **MOTION** by Michelle Sherry and seconded by Marty McKinley, Council voted unanimously to ratify the process and schedule for the adoption of the 2016 budget subject to the rescheduling of the September meeting. Note: the September meeting was rescheduled for Wednesday, September 16, 2015 and the October meeting was subsequently rescheduled to October 29, 2015.

Executive Session for the Purpose of Receiving Legal Advice Pursuant to C.R.S. 24-6-402(b), and for the Purpose of Negotiations Pursuant to C.R.S. 24-6-402(4)e (14) This item was moved up to follow (9)

On a **MOTION** by Michelle Sherry and seconded by Dan Caton, Council agreed to enter into Executive Session for the purpose of receiving legal advice pursuant to C.R.S. 24-6-402(b), and for the purpose of negotiations pursuant to C.R.S. 24-6-402(4)e at 9:49 a.m.

Council returned to regular session at 10:50 a.m.

Eco Action Partners: (10)

Eco Action Partners (EAP) Executive Director Heather Knox provided an update highlighting EAP's accomplishments and programs and the annual greenhouse gas calculation. The energy and waste programs strive to be specific, tangible, visible and measurable.

a. Work Plan Update

Ms. Knox stated that EAP's priority projects for 2015 are:

- Tri-States 5% cap on San Miguel Power Association (SMPA) for renewable energy production
- Regional Compost Program
- Update the Regional Sustainability Action Plan
- FacilityDude Government Utility Data Tracking and Analysis

Several programs have been implemented including:

- Greenlights community program
- Green Projects Grant Program
- Green Business Certification Program
- Truth or Dare Program
- Festival compost, recycling and trash service

b. Annual Greenhouse Gas Calculation

Energy Coordinator for the Sneffels Energy Board Kim Wheels presented the report. This Board is a collaborative partnership of the governments of Telluride, Mountain Village, Ouray County, Ouray, San Miguel County, Ridgway, Norwood and Ophir; SMPA and Source Gas; and the citizen group Transition Our Way. The Sneffels Energy Board focuses on three specific regional projects:

- Coordination to increase locally produced renewable energy
- A new community renewable energy project
- A regional composting facility

Council thanked Ms. Knox and Ms. Wheels for their informative reports.

Consideration of a Resolution Approving a Road Right of Way Encroachment for an Address Monument in the Benchmark Road Right of Way for Lot 202B (11)

Forester/Planner Dave Bangert presented the above item. The applicants are asking to replace an address monument which was failing and it was discovered that the monument is located in the road right of way. On a **MOTION** by Dan Caton and seconded by Marty McKinley, Council voted unanimously to adopt a Resolution approving a road right of way encroachment for an address monument in the Benchmark Road right of way for Lot 202B.

First Reading, Setting of a Public Hearing and Council Vote on an Ordinance to (1) Rezone and (2) Transfer Density from Lot 128 into the Density Bank (12)

Planner II Savannah Jameson presented the above item. Bruce MacIntire recused himself and declared a conflict of interest because he is an owner of the property. The goal is to transfer excess density to the density bank. The Design Review Board (DRB) is in support of the Ordinance. Attorney for the applicant Tom Kennedy stated his client also supports the Ordinance. On a **MOTION** by Marty McKinley and seconded by Dan Caton, Council voted 5-0 (Cath Jett was absent and Bruce MacIntire recused himself) to adopt an Ordinance on first reading to (1) Rezone and (2) Transfer density from Lot 128 into the density bank and to set the second reading, a public hearing, and final Council vote for August 20, 2015.

Second Reading, Public Hearing and Council Vote on an Ordinance to (1) Rezone and (2) Transfer Density of Four Population Equivalents of Single Family Density from Lot 23AR into the Density Bank for the Benefit of AARIS, LLC (13)

Savannah Jameson presented the above item. The Mayor opened the public hearing. Public comment was received by John Erwin representing the applicant. The Mayor closed the public hearing. On a **MOTION** by Marty McKinley and seconded by Dan Caton, Council voted 6-0 (Cath Jett was absent) to approve on second reading an Ordinance to (1) rezone and (2) transfer density of four population equivalents of single family density from Lot 23AR into the Density Bank for the benefit of AARIS, LLC as presented.

Council took a lunch break from 12:02 p.m. to 12:27p.m. (15)

Presentation of Service Awards to Outgoing Council Members Dave Schillaci, John Howe and Jonette Bronson (16)

Mayor Jansen thanked outgoing Council members Dave Schillaci, John Howe and Jonette Bronson for their outstanding service to the Town of Mountain Village and presented plaques to Dave Schillaci and John Howe who were present.

Staff Reports: (17)

a. Cable & Broadband Services (This Report has been Moved to the September Town Council Meeting)

b. Mountain Munchkins Preschool & Child Care

Director Dawn Katz presented her report. The Town subsidizes Mountain Munchkins and is the only infant care facility in the region. Mountain Village residents and employees have priority with a discounted rate. There was discussion about expanding the program and Jim Mahoney provided a little history of how the original program grew into what it is now.

At an intergovernmental meeting Mayor Jansen made sure that the other entities were aware that Mountain Village residents and employees have priority on the wait list. Council thanked Ms. Katz for a thorough report.

Introduction of New Superintendent of Schools Mike Gass (18)

President of the Telluride School Board Paul Reich introduced the new Superintendent of Schools Mike Gass. Mr. Gass discussed his background and prior employment. Council discussion ensued. Mr. Gass stated that his priorities include defining and holding all students to higher standards; helping children and families be successful, and promoting customized learning. He plans to speak with County Commissioners in an effort to engage their assistance to address resource needs in the community. The construction project is well underway. Mr. Gass is communicating with the community through Twitter and providing progress updates. School will re-open August 31st. Council welcomed Mr. Gass to the area and thanked him for coming.

Discussion on the Election Process and Voter Registration (19)

Town Clerk Jackie Kennefick provided information on the Town's election process and voter registration policies and procedures. The biggest issues encountered during the election process were:

- Mail issues
- People mistaking the Town elections for Telluride Mountain Village Owner's Association (TMVOA) elections
- Failure to update address with the Town or San Miguel County
- Not understanding that if their property is held in a trust, that they are ineligible to vote

Ms. Kennefick noted that every effort was made to get ballots to eligible voters and staff looked at every returned ballot and attempted to gain updated information. Over 100 new voters were registered between May 15th and June 1st. Council discussion ensued and many ideas were discussed as to possible ways to get information out prior to an election. Ongoing efforts could include working with the Title companies and the Telluride Association of Realtors (TAR) as well as supplying voter registration forms with the Village Court Apartments move-in paperwork. TMVOA Executive Director Anton Benitez stated that they have a comprehensive resident contact list and that he is happy to collaborate with the Town to disseminate information on voter registration requirements. Mr. Benitez will attempt to determine how many residential properties in Mountain Village are owned in trusts or in LLC's. Mountain Village is one of a small handful of jurisdictions in the entire country that allow non-residents the ability to vote under certain conditions. Council directed staff to determine if tax revenue amounts can be broken out into non-residents and residents categories. Assistant Town Attorney Jim Mahoney stated that a charter amendment would be required to allow owners who have their property in trusts to vote in Mountain Village. Charter amendments must be done by election. Jim Mahoney provided the history of Mountain Village's incorporation and the Supreme Court decision to uphold the verdict of the 10th Circuit Court who voted in favor of allowing natural named owners the right to vote. Council suggested that the wording on the Voter Verification card be a little stronger explaining that the U.S. Postal Service will not forward an official ballot. An explanation of voter rights regarding trusts should be sent to constituents through TMVOA. Council thanked Ms. Kennefick for her efforts.

Other Business: (21)

Director of Plaza Services Deanna Drew stated that there will be a work session on vending carts in August. She asked for Council Members to solicit input from their constituents for the discussion which will include the number of carts, the type of carts permitted, the seasons that they are permitted, the restrictions placed on the carts, and the intention to convert vending carts to brick and mortar establishments. There is a lot of history to digest and many differing opinions. The next meeting of Colorado Association of Ski Towns (CAST) is scheduled for August 27 & 28 in Vail. Town Council has a budget to allow members to attend these meetings. Ms. Kennefick reminded Council members to provide information for their Web profiles as soon as possible and to complete necessary forms for Human Resources. All Council members are invited to attend the Employee Picnic on July 22 at the Ridge Club from 11-2.

There being no further business, on a **MOTION** by Laila Benitez and seconded by Dan Caton, Council unanimously agreed to adjourn the meeting at 2:21 p.m.

Respectfully prepared,

Respectfully submitted,

Susan Johnston
Deputy Town Clerk

Jackie Kennefick
Town Clerk

DRAFT

TELLURIDE REGIONAL AIRPORT

MONTHLY REPORT

FOR

AUGUST 20, 2015

Jon Dwight, Chairman
Ann Brady, Vice Chairperson
Richard W. Nuttall, Airport Manager

**TELLURIDE REGIONAL AIRPORT
BOARD MEETING – AUGUST 20, 2015
12:00 PM, TERMINAL BUILDING**

MEETING AGENDA

- 1) 12:00 PM CALL TO ORDER
- 2) 12:05 PM
 - A. APPROVAL OF MINUTES: JULY 2015
 - B. FINANCIAL REPORT:
 1. Approval of Accounts Payable
 - C. CHAIRMANS COMMENTS
 - D. COMMITTEE REPORTS
 1. Noise Abatement
 2. Planning
 3. Marketing
 4. Finance – Approve 2014 Audit Report
 - E. COLORADO FLIGHT ALLIANCE REPORT
- 3) 12:30 PM AIRPORT MANAGER’S COMMENTS
 - A. Announcements & Updates
 - B. Lean Photometrics CAT C Approach Update.
 - C. Sheriff’s Dept. Broadband Equipment Request.
- 4) 1:20 PM ANNOUNCEMENTS & PUBLIC DISCUSSION
- 5) 1:30 PM ADJOURN

Buffet Lunch will be provided. \$6.00 per person

There will be a Planning Committee Meeting at 11:00 a.m. before the regular board meeting.

**AIRPORT MANAGER'S REPORT
For August 2015**

Public Announcements

Grant Updates

The following is an update regarding our FAA and State grants:

AIP-29: The drainage improvement project is complete. The final engineer's report has been sent to the FAA.

AIP-31: The Wildlife Hazard Assessment is completed. FAA has approved the assessment. A Wildlife plan has been completed and sent to the FAA for approval. No response from the FAA since our submittal on April 23rd.

AIP-32: Hayward Baker has completed the retaining wall. They are five weeks behind schedule with regard to attaching the vegetation baskets to the wall. Colorado Concrete Works began their work on August 10th. Hayward Baker will continue working to complete their tasks and will stay out of the way of Concrete Works.

State Grant: RS&H has completed the aerial survey and the inventory of existing conditions and the aviation demand forecast.

Items for Discussion

Category "C" Instrument Approach Update

Paul Hannah from Lean Photometrics will be attending the board meeting and providing an update.

2014 Audit Report

The Airport Board will need to approve the 2014 audit report that was reviewed last month.

Sheriff's Department Point to Point Wireless Connection Project Request

The sheriff's department is requesting the installation on airport property equipment that will allow for enhanced wireless communications. I have reviewed the site location with their representative and have provided their application and site map as part of this month's board packet.

If the board approves this request, Form 7460 will need to be filed with the FAA and seek their approval.

MINUTES

TELLURIDE REGIONAL AIRPORT AUTHORITY BOARD MEETING

July 16, 2015
12:00 pm

1. Call to Order 12:08 pm
Vice Chair Ann Brady called the meeting of the Telluride Regional Airport Authority to order.

Roll Call

Present: Chair Jon Dwight (phone), Vice Chair Ann Brady. Board Members Paul Talmey, Gary Bash, Joan May, Matt Skinner, Stu Fraser, Lynne Beck, Kevin Jones. Board Alternates Michael Martelon, Mick Francis, Mark Silversher .

Also present: Rich Nuttall (Airport Manager), Linda Soucie (Administrative Assistant), John Steel (Attorney).

Absent: none.

2. A. Approval of Minutes: June 18, 2015

Motion

Stu Fraser motioned to approve the minutes of June 18, 2015.

Mick Francis seconded the motion.

Motion passed 9-0.

B. Financial Report

Rich Nuttall reported that June 2015 was up from June 2014. GA was up 7% from last year. July is looking good and the weekend of the 4th was busy.

1. Approval of Accounts Payable

Motion

Gary Bash motioned to approve the Accounts Receivable and Payables.

Ann Brady seconded the motion.

Motion passed 9-0.

Rich Nuttall sent out the draft audit for FY 2014 to the Board via email. There was discussion and the Draft was approved for finalization and approval at the August meeting.

C. Chairman's Comments

1. Board Member Standards Discussion

Ann Brady led the discussion. John Steel had a proposed policy/statement he presented. He explained the codes and statutes. Paul Talmey was concerned about revealing conflicts as

soon as possible (full public disclosure). Paul asked John to add a full public disclosure statement to the policy. There was extensive discussion, and John amended item #5.

Motion

Stu Fraser motioned to approve the revised "Telluride Regional Airport's Stated Policy on Confidentiality, Conflict of Interest and Preferential Treatment".

Lynne Beck seconded the motion.

Motion passed 9-0.

D. Committee Reports

1. Noise Abatement – Rich Nuttall reported that there have been 7 NA complaints since 7/12/15. All 7 were from Alan Bradbury. There was 1 complaint on 7/1/15 from the Pennington's caretaker. Rich informed the Board that the staff would like to start referring the complaints to the NA form on the website when they are busy with customers. There was discussion regarding a possible separate phone number to file complaints, a script for staff to keep calls brief, complaint forms, etc. Staff will continue to take the required information over the phone, and let the complainant know their complaint will be filed. Jon Dwight reminded everyone that the publicized policy must be followed. Rich reminded the Board that the Military training mission have begun in the region and we will be seeing and hearing more military aircraft. The Military forces are not subject to the curfew hours.

2. Planning – Paul Talmey reported that the Planning Committee did not meet this month.

3. Marketing – Michael Martelon reported that the new website was online 6/22/2015. The Cars and Colors Festival information and link were added to the website. Rich Nuttall reported that the sign plan has been approved by SMC. He now must submit a 7460 (obstruction report) to the FAA. The County will require a site plan, drawing and fee with the 7460 for the Planning, Building and Road and Bridge Departments. Rich is hoping to start construction in September. Mark Silversher thanked Michael for getting the webcam up and running on the new website.

4. Finance – Gary Bash had nothing to report.

E. Colorado Flight Alliance Report

Matt Skinner reported that he is working with 2 individual charter companies. Alaska/Horizon will no longer be flying anything over 300-400 miles. Mark Silversher asked about West Jet's Q400 operations (out of Canada). They are flying out of Calgary and their range ends at the northern Colorado state line. Kevin Jones asked if, one of the private operators was successful, would the CFA entertain some sort of funding or guarantee with the private operators? Matt replied that CFA would, with a private charter operator, a scheduled charter and there was nothing in their charter that would prohibit them from doing some sort of guarantee or subsidy.

3. Airport Manager's Comments

A. Announcements and Updates – CAAT C Approach and Projects.

Rich Nuttall presented the grant document for AIP 33 & 34, \$150,000 for the design of the South apron. The document is ready to be signed.

Motion

Gary Bash motioned to approve and sign the AIP 33 & 34 grant.

Paul Talmey seconded the motion.

Motion passed 9-0.

The customer service training with Dave Jeffries (Interactive Dynamics) was held yesterday, 7/15/15, and Rich reported that it went very well. The staff will be doing some specific fine tuning over the next few weeks (standardized greetings, etc.). The major theme was taking customer service from good to great, and interactions with customers. Rich would like to make this an annual training for any new staff and to keep up customer service standards.

The new crew car is here, a 2015 Jeep Patriot. The new logo has been put on and the car is in service.

Rich will be hiring 1 additional Line Tech this week.

Cat C Approach – Lean Photometrics reported that the FAA has not reviewed the approach alternatives for the localizer/cat c approach yet. Lean is moving ahead with the design for the RNP approach for both 9 and 27. Paul from LP will be here with an update at the August meeting.

B. Use of Telluride Airport's Name.

Rich brought up the fact that the Montrose Regional Airport is advertising itself as the Montrose/Telluride Airport. Michael Martelon stated that the Telluride Tourism Board does market the Montrose Regional Airport as the Telluride/Montrose Airport. Black Canyon Jet Center is also advertising themselves as the Montrose/Telluride FBO. There was extensive discussion. John Steel stated that no action would equal permission and set a precedent. Paul Talmey suggested getting our objection, to Black Canyon, on record with a letter from John Steel. There was general agreement and more discussion, regarding commercial vs. GA marketing. Jon Dwight felt it is necessary to be aggressive on the FBO side. It was decided that Jon Dwight and John Steel would visit Black Canyon and relay the TRAA's objection in person.

C. Airport Operations Plan Part III GA Terminal Options.

Rich passed out the recommendations which included a cover letter from Rich, the plan and proposals and the recommendations from RHS (Master Plan Update firm) and Kimley Horn (project engineers). The basics were increasing ramp space to the South and the most effective terminal improvement plan. As far as a new terminal, the recommendation was to wait on the Cat C approach, securing an airlines, etc.

Rich reported that the FAA has TEX programmed for \$6 million for ramp replacement in 2016. This would be an asphalt replacement with a lifespan of 20 years. After the bidding process, Rich plans to lobby the FAA for concrete replacement (+- \$8 million and 30 + year lifespan). The airport would be closed for April, May and part of June to complete the project.

In 2017-2018, Rich would push hard for funds for development of the south side ramp; and maybe move the firehouse and SRE buildings to the south side. This would open up the existing terminal hangar for more revenue.

Rich also presented a plan for improving the existing terminal, at about \$500,000, rather than building a new terminal. RS&H is looking at all of this as part of their Master Plan Update.

Ann Brady directed the Board to review the information for discussion at the August meeting.

4. Announcements and Public Comments
None.
5. Adjourn
Ann Brady adjourned the meeting at 1:50pm.

Jon Dwight, Chairman

Richard W. Nuttall, Airport Manager

OPERATING FINANCIALS

Telluride Regional Airport A/R Aging Summary

As of July 31, 2015

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Alpine Luxury Limo	0.00	0.00	0.00	0.00	1,360.00	1,360.00
AT&T	0.00	-1,100.00	0.00	0.00	0.00	-1,100.00
Blue Sky Telluride						
	7.20	0.00	0.00	0.00	0.00	7.20
Total Blue Sky Telluride	7.20	0.00	0.00	0.00	0.00	7.20
Campbell, Jeff						
	96.36	50.40	0.00	0.00	0.00	146.76
Campbell, Jeff - Other	0.00	10.00	0.00	0.00	0.00	10.00
Total Campbell, Jeff	96.36	60.40	0.00	0.00	0.00	156.76
Consumer Insurance Group						
	0.00	271.36	0.00	0.00	0.00	271.36
Total Consumer Insurance Group	0.00	271.36	0.00	0.00	0.00	271.36
Fastsigns #37601	63.65	0.00	0.00	0.00	0.00	63.65
Hertz Rent-A-Car Offices	0.00	734.04	-23.71	-23.71	-379.36	307.26
Hoffman, Todd						
	0.00	231.31	0.00	0.00	0.00	231.31
Total Hoffman, Todd	0.00	231.31	0.00	0.00	0.00	231.31
James, Bill						
	23.40	23.40	0.00	0.00	0.00	46.80
Total James, Bill	23.40	23.40	0.00	0.00	0.00	46.80
Kiernanwest Investors						
	0.00	945.48	0.00	0.00	0.00	945.48
Total Kiernanwest Investors	0.00	945.48	0.00	0.00	0.00	945.48
Mattson, Bill						
	0.00	515.27	0.00	0.00	0.00	515.27
Total Mattson, Bill	0.00	515.27	0.00	0.00	0.00	515.27
Net Jets						
	2,315.53	0.00	0.00	0.00	0.00	2,315.53
	2,532.62	0.00	0.00	0.00	0.00	2,532.62
Total Net Jets	4,848.15	0.00	0.00	0.00	0.00	4,848.15
Nichols, William						
	0.00	7.60	0.00	0.00	0.00	7.60
Total Nichols, William	0.00	7.60	0.00	0.00	0.00	7.60
OBS Propoerties, LLC						
	0.00	3,511.77	0.00	0.00	0.00	3,511.77
Total OBS Propoerties, LLC	0.00	3,511.77	0.00	0.00	0.00	3,511.77
Peak Aero Group	0.00	431.15	0.00	0.00	0.00	431.15
Sprint Nextel	0.00	1,100.00	0.00	0.00	0.00	1,100.00
State of Colorado	0.00	-910.96	331.46	0.00	-8,667.67	-9,247.17
Stream Realty						
	0.00	1,812.48	0.00	0.00	0.00	1,812.48
Total Stream Realty	0.00	1,812.48	0.00	0.00	0.00	1,812.48
Tex-Air Aviation Group, LLC						
	85.00	0.00	0.00	0.00	0.00	85.00
Total Tex-Air Aviation Group, LLC	85.00	0.00	0.00	0.00	0.00	85.00

Telluride Regional Airport A/R Aging Summary

As of July 31, 2015

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
TRA Phase II Condominium Owners Assoc.	0.00	0.00	0.00	0.00	8,581.77	8,581.77
Valued Customer	85.52	351.92	613.24	0.00	0.00	1,050.68
White, William						
	981.80	0.00	0.00	0.00	0.00	981.80
Total White, William	981.80	0.00	0.00	0.00	0.00	981.80
Wickham, Roger						
	0.00	6.20	0.00	0.00	0.00	6.20
Total Wickham, Roger	0.00	6.20	0.00	0.00	0.00	6.20
TOTAL	6,191.08	7,991.42	920.99	-23.71	894.74	15,974.52

Telluride Regional Airport
A/P Aging Summary
As of August 12, 2015

	Current	1 - 30	31 - 60	> 60	TOTAL
Airgas Intermountain Inc.	51.68	0.00	0.00	0.00	51.68
Ajax Cleaning	2,695.00	0.00	0.00	0.00	2,695.00
Alarm Company of Telluride	210.00	0.00	0.00	0.00	210.00
Alpine Bank	8,060.77	0.00	0.00	0.00	8,060.77
Alpine Lumber	0.00	0.00	0.00	-7.02	-7.02
ALSCO	224.58	0.00	0.00	0.00	224.58
Aramark	176.00	0.00	0.00	0.00	176.00
Auto Parts of Montrose	12.77	0.00	0.00	0.00	12.77
Brainstorm Internet, Inc.	70.00	0.00	0.00	0.00	70.00
CenturyLink 29040	493.56	0.00	0.00	0.00	493.56
CenturyLink 52187	517.88	0.00	0.00	0.00	517.88
Chase/Bank One	2,424.18	0.00	0.00	0.00	2,424.18
Clarks	12.30	0.00	0.00	0.00	12.30
Coach's Mother	3,094.50	0.00	0.00	0.00	3,094.50
Colorado Dept. of Public Health	530.00	0.00	0.00	0.00	530.00
Conoco	53.68	0.00	0.00	0.00	53.68
Daily Planet	97.50	0.00	0.00	0.00	97.50
Dex Media East LLC	109.60	0.00	0.00	0.00	109.60
DPE, LLC	125.00	0.00	0.00	0.00	125.00
Hartman Brothers	27.90	0.00	0.00	0.00	27.90
Home Depot	0.00	47.45	0.00	0.00	47.45
Interactive Dynamic Solutions, Inc.	7,176.05	0.00	0.00	0.00	7,176.05
JC Propane	117.40	0.00	0.00	0.00	117.40
John Deere Financial	0.00	197.98	0.00	0.00	197.98
Liberty Bell Electric Inc.	1,258.25	0.00	0.00	0.00	1,258.25
Lone Cone Coffee	282.00	0.00	0.00	0.00	282.00
MacDonald Equipment Co.	0.00	0.00	0.00	-134.03	-134.03
Montrose Water Factory, LLC	296.35	0.00	0.00	0.00	296.35
Mountain States Employers Council, Inc.	1,524.60	0.00	0.00	0.00	1,524.60
Pallante Plumbing & Heating, LLC	97.50	0.00	0.00	0.00	97.50
Parish Oil Company, Inc.	3,153.20	0.00	0.00	0.00	3,153.20
Parkeon Inc.	45.00	0.00	0.00	0.00	45.00
Pitney Bowes	0.00	0.00	-33.00	0.00	-33.00
Plute's Refrigeration	218.36	0.00	0.00	0.00	218.36
Quill	1,105.71	0.00	0.00	0.00	1,105.71
Rocky Mountain HMO	11,178.48	0.00	0.00	0.00	11,178.48
Sam's Club	108.56	-108.37	0.00	0.00	0.19
San Miguel Clerk & Recorder	0.17	0.00	0.00	0.00	0.17
San Miguel Power Assoc.	3,750.00	0.00	0.00	0.00	3,750.00
Scott's Printing & Design	338.05	0.00	0.00	0.00	338.05
Source Gas	33.50	0.00	0.00	0.00	33.50
Telluride Bytes	75.00	0.00	0.00	0.00	75.00
Telluride Kitchen - vendor	108.00	0.00	0.00	0.00	108.00
Timberline Ace Hardware	35.45	0.00	0.00	0.00	35.45
TWS	0.00	0.00	0.00	-945.86	-945.86
UPS	13.40	0.00	0.00	0.00	13.40
Verizon Wireless	50.05	0.00	0.00	0.00	50.05
Viking Rentals Inc.	712.17	0.00	0.00	0.00	712.17
Waste Management	366.42	0.00	0.00	0.00	366.42
Xerox	171.92	0.00	0.00	0.00	171.92
TOTAL	51,202.49	137.06	-33.00	-1,086.91	50,219.64

**TELLURIDE REGIONAL AIRPORT
2015 OPERATING BUDGET
SUMMARY: JANUARY - JULY 2015**

	BUDGET	ACTUAL	ACTUAL
	2015	2015	2014
Aircraft & Pilot Income	3,726,500	2,120,814	2,476,077
Aircraft & Pilot Cost of Goods Sold	(1,922,550)	(841,790)	(1,238,265)
Aircraft & Pilot Expenses	(1,093,314)	(607,882)	(674,045)
Net Income (Loss)	710,636	671,142	563,767
Hangar Principal Payments	(75,000)	(49,257)	(222,614)
Net Cash Flows	635,636	621,885	341,153
Terminal Income	111,716	94,975	170,948
Terminal Expenses	(290,207)	(173,154)	(184,935)
Net Income (Loss)	(178,491)	(78,179)	(13,987)
Airside Income	302,200	211,669	225,620
Airside Expenses	(346,134)	(176,816)	(203,092)
Net Income (Loss)	(43,934)	34,853	22,528
Interest Income	185	30	76
Total Net Cash Flows	413,396	578,589	349,770

**TELLURIDE REGIONAL AIRPORT
2015 OPERATING BUDGET
AIRCRAFT & PILOT
JANUARY - JULY 2015**

	BUDGET 2015	ACTUAL 2015	ACTUAL 2014	PERCENT OF BUDGET
AIRCRAFT & PILOT INCOME				
Aircraft Oil	\$ 1,000	\$ 707	\$ 483	71%
AvGas	125,000	69,747	78,712	56%
Catering	7,500	9,396	5,578	125%
Hangar Fees	275,000	184,238	205,031	67%
Jet-A	3,100,000	1,676,728	2,039,855	54%
Jet-A Airlines	-	-	9,480	#DIV/0!
Line Services	65,000	54,790	47,253	84%
Pilot Supplies	18,000	10,186	10,762	57%
Tie-Down Fees	135,000	115,023	78,923	85%
Total Income	3,726,500	2,120,814	2,476,077	57%

AIRCRAFT & PILOT COST OF GOODS SOLD				
Jet-A Fuel	1,805,000	778,401	1,169,966	43%
100LL Fuel	105,000	46,792	58,258	45%
Oil	800	650	343	81%
De-Ice	2,500	6,711	1,974	268%
Pilot Supplies	250	374	73	149%
Hats & T-Shirts	8,000	8,855	7,280	111%
Unleaded Fuel	1,000	7	371	1%
Total Cost of Goods Sold	1,922,550	841,790	1,238,265	44%
Gross Profit	1,803,950	1,279,024	1,237,812	71%

AIRCRAFT & PILOT EXPENSES				
Aircraft Incidents	-	-	556	#DIV/0!
Pilot Incentive Program	15,000	2,095	5,516	14%
Catering	3,500	3,127	2,010	89%
Pilot Refreshments	5,500	5,503	4,183	100%
Credit Card Fees	90,000	56,872	72,916	63%
Employee Health Insurance	116,106	64,417	67,774	55%
Employee Salaries	483,319	253,559	250,781	52%
Employee Training	12,500	7,176	45	57%
Equipment Maintenance	40,000	31,451	46,302	79%
Equipment Maintenance Labor	15,000	6,656	1,143	44%
Equipment Rental	3,730	-	-	0%
Fuel Farm Utilities/Insurance	4,000	3,126	3,414	78%
Equipment Fuel & Oil	35,000	21,474	18,558	61%
Hangar Insurance	4,033	5,750	4,033	143%
Hangar Interest	14,000	7,168	10,056	51%
Hangar Maintenance	10,000	4,644	17,349	46%
Hangar Utilities	12,000	11,189	9,648	93%
Liability Insurance	8,511	8,065	8,511	95%
Line Supplies	11,000	7,307	8,139	66%
Pollution Insurance	15,559	-	15,559	0%
Uniforms	8,500	4,160	4,551	49%
Satellite Systems/Runway Camera	4,000	2,238	1,434	56%
Workman's Compensation	34,000	21,079	33,421	62%
Total Direct Expenses	945,258	527,056	585,899	56%
Net Income Before Allocation of Administrative Costs	858,692	751,968	651,913	88%
Admin & Operations (1/3 of Total)	148,056	80,826	88,146	55%

Net Income	\$ 710,636	\$ 671,142	\$ 563,767	94%
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CASH FLOWS				
Net Income	\$ 710,636	\$ 671,142	\$ 563,767	94%
Hangar Principal Payments	\$ 75,000	\$ 49,257	\$ 222,614	
Net Cash Flows	\$ 785,636	\$ 720,400	\$ 786,381	92%

**TELLURIDE REGIONAL AIRPORT
2015 OPERATING BUDGET
TERMINAL**

JANUARY - JULY 2015

	BUDGET 2015	ACTUAL 2015	ACTUAL 2014	PERCENT OF BUDGET
TERMINAL INCOME				
Advertising	\$ 600	\$ 822	\$ 570	137%
Airlines	-	-	61,964	#DIV/0!
Car Rental Agencies	70,000	44,716	52,652	64%
On-Line Services	10,000	15,400	15,400	154%
Copy/Fax	500	128	416	26%
Office Rentals	12,116	7,783	17,295	64%
Parking Lot	5,000	5,933	9,146	119%
Sales Tax Discount	3,000	3,023	2,234	101%
Taxi Service	10,000	17,038	10,960	170%
Vending Machines	500	132	311	26%
Total Income	111,716	94,975	170,948	85%
TERMINAL EXPENSES				
Janitorial Supplies	2,000	1,004	1,211	50%
Janitorial Other	32,340	23,008	10,936	71%
Liability Insurance	8,511	8,065	8,511	95%
Maintenance	20,000	9,743	18,379	49%
Maintenance Labor	2,500	585	-	23%
Parking Lot	5,000	315	761	6%
Security	4,000	3,596	6,615	90%
Terminal Insurance	6,800	6,900	6,800	101%
Terminal Utilities	40,000	25,512	26,864	64%
Trash	5,000	2,203	2,492	44%
Vending Machine Expense	1,000	672	584	67%
Water Maintenance	15,000	10,725	13,636	72%
Total Direct Expenses	142,151	92,328	96,789	65%
Net Income Before Allocation of Administrative Costs	(30,435)	2,647	74,159	-9%
Admin & Operations (1/3 of Total)	148,056	80,826	88,146	55%
Net Income	\$ (178,491)	\$ (78,179)	\$ (13,987)	44%

**TELLURIDE REGIONAL AIRPORT
2015 OPERATING BUDGET
AIRSIDE**

JANUARY - JULY 2015

	BUDGET 2015	ACTUAL 2015	ACTUAL 2014	PERCENT OF BUDGET
AIRSIDE INCOME				
Airline Landing Fees	\$ -	\$ -	\$ 13,871	#DIV/0!
GA Landing Fees	200,000	159,417	138,123	80%
Land Leases	26,000	21,420	21,970	82%
Promotional Fees	1,200	-	1,200	0%
State Fuel Tax Rebates	75,000	30,832	50,456	41%
Total Income	302,200	211,669	225,620	70%
AIRSIDE EXPENSES				
Airfield Lighting Maintenance	3,000	889	2,301	30%
Airfield Lighting Utilities	2,000	938	1,138	47%
Airfield Insurance	6,200	6,200	6,200	100%
Airfield Maintenance	35,000	18,315	12,173	52%
ARFF Building Insurance	275	50	275	18%
ARFF Equipment	4,070	2,257	3,314	55%
ARFF Maintenance	5,000	2,009	-	40%
ARFF Training	25,490	7,215	8,870	28%
ARFF Liability Insurance	1,300	208	-	16%
ARFF Utilities	4,500	2,146	3,364	48%
AWOS Maintenance	5,000	5,623	3,000	112%
AWOS Utilities	600	391	343	65%
Business Auto Policy	6,597	6,905	6,597	105%
Equipment Fuel & Oil	15,000	3,953	8,271	26%
Equipment Insurance	13,835	12,184	12,247	88%
Equipment Maintenance	35,000	5,123	21,574	15%
Equipment Maintenance Labor	15,000	6,975	11,162	46%
Liability Insurance	8,511	8,065	8,511	95%
Operations Training	1,000	-	-	0%
SRE Insurance	700	701	710	100%
SRE Utilities	6,000	5,167	4,241	86%
SWMP Maintenance	4,000	675	655	17%
Total Expenses	198,078	95,990	114,946	48%
Net Income Before Allocation of Administrative Costs	104,122	115,679	110,674	111%
Admin & Operations (1/3 of Total)	148,056	80,826	88,146	55%
Operating Profit	(43,934)	34,853	22,528	-79%
INTEREST INCOME	185	30	76	16%
	\$ (43,749)	\$ 34,883	\$ 22,604	-80%

**TELLURIDE REGIONAL AIRPORT
2015 OPERATING BUDGET
SCHEDULE OF ADMINISTRATIVE EXPENSES
JANUARY - JULY 2015**

ADMINISTRATIVE EXPENSES	BUDGET 2015	ACTUAL 2015	ACTUAL 2014	PERCENT OF BUDGET
Accounting Audit	\$ 7,500	\$ 9,650	\$ 5,600	129%
Administrative Salaries	158,750	100,062	89,907	63%
Bad Debts	-	-	-	#DIV/0!
Bank Finance Charges	200	146	40	73%
Copy/Fax/Computer Maintenance/Lease	12,000	2,707	14,886	23%
Dues & Subscriptions	8,500	7,153	6,218	84%
Employee Education	7,500	1,820	2,212	24%
Employee Medical Insurance	32,000	20,173	21,458	63%
Fringe Benefits	11,239	7,424	7,915	66%
Legal	40,000	2,688	22,598	7%
Marketing	60,000	29,923	30,292	50%
Office Supplies	4,000	4,259	4,127	106%
Payroll Expenses	46,990	35,175	37,651	75%
Postage & Shipping	2,500	1,184	2,109	47%
Retirement Benefits	6,000	2,945	2,832	49%
Public Officials Insurance	9,488	-	387	0%
Safety Management System	3,000	-	-	0%
Telephone/Internet	30,000	15,634	14,996	52%
TRAA Meeting	2,000	935	690	47%
Travel	2,000	482	422	24%
Workman's Compensation	500	118	97	24%
Total Expenses	<u>\$ 444,167</u>	<u>\$ 242,478</u>	<u>\$ 264,437</u>	<u>55%</u>

Administrative Expenses are divided equally among Aircraft & Pilot, Terminal, and Airside expenses.

Telluride Regional Airport

Balance Sheet

As of July 31, 2015

08/12/15

Accrual Basis

	<u>Jul 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1020 · Due From AVFUEL	56,803.95
1035 · FBO Cash Drawer	200.00
1036 · Change Machines	377.00
1040 · Old Operating Bank Account	123.44
1045 · New Operating Bank Account	756,825.10
1046 · Tax Rebate Account	188,659.59
1050 · Petty Cash	500.00
Total Checking/Savings	<u>1,003,489.08</u>
Accounts Receivable	
1100 · *Accounts Receivable	16,042.06
Total Accounts Receivable	<u>16,042.06</u>
Other Current Assets	
1210 · Accounts Receivable	20.78
1250 · Inventory	533.91
1260 · Inventory Asset	143,700.21
1270 · Prepaid Insurance	26,175.02
1280 · Undeposited Funds	19,661.92
Total Other Current Assets	<u>190,091.84</u>
Total Current Assets	<u>1,209,622.98</u>
Fixed Assets	
1310 · Accumulated Depreciation	-16,670,155.16
1320 · Building	5,461,540.99
1330 · Equipment	2,844,417.74
1350 · Land Acquisition	7,337,699.15
1390 · Runway	69,135,179.92
7101 · Gain on Disposition of Assets	-31,830.00
Total Fixed Assets	<u>68,076,852.64</u>
Other Assets	
1410 · Deposit - Securus	708.00
Total Other Assets	<u>708.00</u>
TOTAL ASSETS	<u><u>69,287,183.62</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · *Accounts Payable	25,303.23
Total Accounts Payable	<u>25,303.23</u>
Other Current Liabilities	
2030 · AFLAC INS.	485.89
2100 · Payroll Liabilities	6,907.44
2110 · Direct Deposit Liabilities	2,202.28
2150 · Note Payable - Hangars	435,256.43
2165 · Sales Tax #1	-67,478.01
2200 · Sales Tax Payable	73,981.66
Total Other Current Liabilities	<u>451,355.69</u>
Total Current Liabilities	<u>476,658.92</u>
Total Liabilities	476,658.92

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08/12/15

Accrual Basis

Telluride Regional Airport
Balance Sheet
As of July 31, 2015

	<u>Jul 31, 15</u>
Equity	
3430 - Interaccount Transfers	-2,615,644.84
3900 - Retained Earnings	70,788,429.33
Net Income	<u>637,740.21</u>
Total Equity	<u>68,810,524.70</u>
TOTAL LIABILITIES & EQUITY	<u><u>69,287,183.62</u></u>

CAPITAL FINANCIALS

**TELLURIDE REGIONAL AIRPORT
2015 CAPITAL BUDGET**

CAPITAL INCOME:	2015 BUDGET	2015 ACTUAL
Beginning Bank Account Balance	\$1,600,000	\$ 2,341,561
Passenger Facility Charges	\$0	\$ 18
FAA Grants	\$6,367,178	\$ 1,213,023
State Grant	\$725,398	\$ 59,400
Rock Sales	\$175,000	\$ 145,079
Equipment Sales	\$20,000	\$ 800
Local Contribution for Cat C Approach	\$105,000	\$ 30,000
Interest Income	\$1,500	\$ 74
TOTAL AVAILABLE FUNDS :	\$8,994,076	\$ 3,789,954
CAPITAL EXPENSES:	2015 BUDGET	2015 ACTUAL
AIP-28 Slide Repair Closeout (See note #3)	\$70,000	\$ -
AIP-31: Wildlife Mitigation Plan	\$5,000	\$ 2,533
AIP-32: Runup/Deice Pad	\$6,907,976	\$ 1,347,935
AIP-33: South Apron Reconstruction Design	\$400,000	\$ 4,570
Master Plan Update & Survey	\$428,000	\$ 132,000
New Instrument Approach Design (See note #1)	\$320,000	\$ -
Non-Grant Funded Construction (See Note #2)	\$55,000	\$ -
Non-Grant Funded Equipment	\$35,000	\$ 22,043
Security/Computer Equipment	\$20,000	\$ -
ARFF Equipment	\$0	\$ -
Maintenance Tools	\$2,500	\$ -
Bank Fees	\$60	\$ -
TOTAL CAPITAL EXPENSES:	\$8,243,536	\$ 1,509,081
REMAINING CAPITAL INCOME:	\$750,540	\$2,280,873
END OF YEAR OPERATING INCOME TRANSFER:	\$494,728	
ESTIMATED BEGINNING BALANCE FOR 2016:	\$1,245,268	

Notes:

1. LOC/DME Cat C.
2. Entrance sign(s) and new carpet
3. AIP-28 did not close-out in 2014.

Telluride Regional Airport - Capital Account

Balance Sheet

As of July 31, 2015

08/12/15
Accrual Basis

	<u>Jul 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · 10% Bank Account	217,268.93
1030 · FAA Bank Account	16,236.34
1060 · PFC- ANB Bank	253,828.57
1070 · Savings Account	1,793,539.67
Total Checking/Savings	<u>2,280,873.51</u>
Accounts Receivable	
1281 · Accounts Receivable	41,227.25
Total Accounts Receivable	<u>41,227.25</u>
Other Current Assets	
1200 · Grants Receivable	-55,893,319.97
Total Other Current Assets	<u>-55,893,319.97</u>
Total Current Assets	<u>-53,571,219.21</u>
TOTAL ASSETS	<u><u>-53,571,219.21</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2050 · Retainage Payable - Capital	13,642.60
Total Other Current Liabilities	<u>13,642.60</u>
Total Current Liabilities	<u>13,642.60</u>
Total Liabilities	13,642.60
Equity	
3430 · Interaccount Transfers	2,615,644.84
3900 · Retained Earnings	-56,139,819.31
Net Income	-60,687.34
Total Equity	<u>-53,584,861.81</u>
TOTAL LIABILITIES & EQUITY	<u><u>-53,571,219.21</u></u>

STATISTICS

**TELLURIDE REGIONAL AIRPORT
AIRCRAFT AND PILOT SERVICES - 2015**

July 2015	TRAA 2015	TRAA 2014	Percent Change
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AIRPORT OPERATIONS

General Aviation:	1,154	932	23.82%
Commercial Airline:	-	80	-100.00%
Total Operations:	1,154	1,012	14.03%

AVIATION FUEL SALES (GALLONS)

General Aviation:			
100LL AvGas:	2,835	1,203	135.65%
Jet-A	62,371	43,156	44.52%
Total GA:	65,206	44,359	47.00%
Commercial Airline:	-	3,642	-100.00%
Total Fuel Sales:	65,206	48,001	35.84%

GA Passenger Deplanements:	1,822	1,353	34.66%
GA Passenger Enplanements:	1,838	1,393	31.95%

AIRLINE COMPLETIONS	2015	2014	2014	2014
Scheduled Departures:	-	0.0%	40	100.0%
Actual Departures:	-	0.0%	40	100.0%
Total Not Completed:	-	0.0%	-	0.0%

ENPLANEMENTS 2015

	Great Lakes	U.S. Airways	Gen. Av	2015 TOTAL	2014 TOTAL
January	0	0	1982	1982	2602
February	0	0	1675	1675	2223
March	0	0	1998	1998	2531
April	0	0	435	435	430
May	0	0	387	387	402
June	0	0	1095	1095	1291
July	0	0	1838	1838	1877
August	0	0	0	0	2054
September	0	0	0	0	1538
October	0	0	0	0	648
November	0	0	0	0	401
December	0	0	0	0	909
Total for 2015	-	-	9,410	9,410	16,906
Total for 2014	3,268		12,729	15,997	
Total for 2013	5,325	-	13,530	18,855	
Total for 2012	7,445	3,784	13,128	20,573	

Enplanements Comparisons	2014 GA	2015 GA	2014 Airlines	2015 Airlines
January	2157	1982	445	0
February	1613	1675	610	0
March	1951	1998	580	0
April	284	435	146	0
May	402	387	0	0
June	946	1095	345	0
July	1393	1838	484	0
August	1615	0	439	0
September	1319	0	219	0
October	648	0	0	0
November	401	0	0	0
December	909	0	0	0

DEPLANEMENTS FOR 2015

	Great Lakes	U.S.Airways	Gen Av	2015 Total	2014 Total
January	0	0	1583	1583	1937
February	0	0	1570	1570	2153
March	0	0	1923	1923	2347
April	0	0	330	330	313
May	0	0	380	380	406
June	0	0	1156	1156	1480
July	0	0	1822	1822	1827
August	0	0	0	0	2033
September	0	0	0	0	1298
October	0	0	0	0	622
November	0	0	0	0	386
December	0	0	0	0	1199
Total for 2015	0	0	8764	8764	16001
Total for 2014	3138	0	11664	14802	
Total for 2013	5151	0	13236	18387	
Total for 2012	7649	0	13181	20830	

Deplanement Comparisons	2015 GA	2014 GA	2015 Airlines	2014 Airlines
January	1583	1537	0	400
February	1570	1489	0	664
March	1923	1798	0	549
April	330	252	0	61
May	380	406	0	0
June	1156	1088	0	392
July	1822	1353	0	474
August	0	1609	0	424
September	0	1124	0	174
October	0	622	0	0
November	0	386	0	0
December	0	1199	0	0

OPERATIONS

2015

	2015		2015	2014
	Great Lakes	U.S. Airways	Gen. Av.	Total
January	0	0	974	974
February	0	0	916	916
March	0	0	1158	1158
April	0	0	256	256
May	0	0	288	288
June	0	0	760	760
July	0	0	1154	1154
August	0	0	0	0
September	0	0	0	0
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
Total for 2015	0	0	5506	5506
Total for 2014	574	0	7566	8140
Total for 2013	888	0	7958	8846
Total for 2012	1426	0	7740	7636
				16802

Operation Comparisons	2015	2014	2015	2014
	GA	GA	Airlines	Airlines
January	974	986	0	66
February	916	872	0	134
March	1158	1056	0	94
April	256	188	0	26
May	288	312	0	0
June	760	706	0	64
July	1154	932	0	80
August	0	1002	0	70
September	0	776	0	40
October	0	484	0	0
November	0	252	0	0
December	0	300	0	0

SCHEDULED DEPARTURES 2015

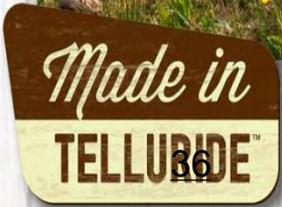
	U.S. Airways	Great Lakes	Total
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total for 2015	0	0	0
Total for 2014	0	328	328
Total for 2013	0	491	491
Total for 2012	0	758	758

ACTUAL DEPARTURES 2015

	U.S. Airways	Great Lakes	Total
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total for 2015	0	0	0
Total for 2014	0	287	287
Total for 2013	0	454	454
Total for 2012	0	719	719



QUARTERLY UPDATE



Colorado Flights Alliance

Board of Directors

Dirk de Pagter, Chairman, (At Large)

Dan Jansen, Vice Chairman (Mountain Village)

Steve Togni, Treasurer (At Large)

Kristen Permakoff (Telluride)

Robert H. Delves (TTB)

Rob Joseph (Montrose)

Greg Pack (Telluride Ski Resort)

Joan May (Telluride Airport)

Lloyd Arnold (Montrose Airport)



To grow visitation to
Telluride by
marketing the
destination and
providing airlift.

Board of Directors

Robert H. Delves, Chairman

Penelope Gleason, Vice Chair

Richard Cornelius, Treasurer

Frank Ruggeri, Secretary

Greg Pack

Lee Zeller

Kevin Jones

Emeritus Status Board Members

Larry Mallard

Tom Elrod

Telluride Tourism Board



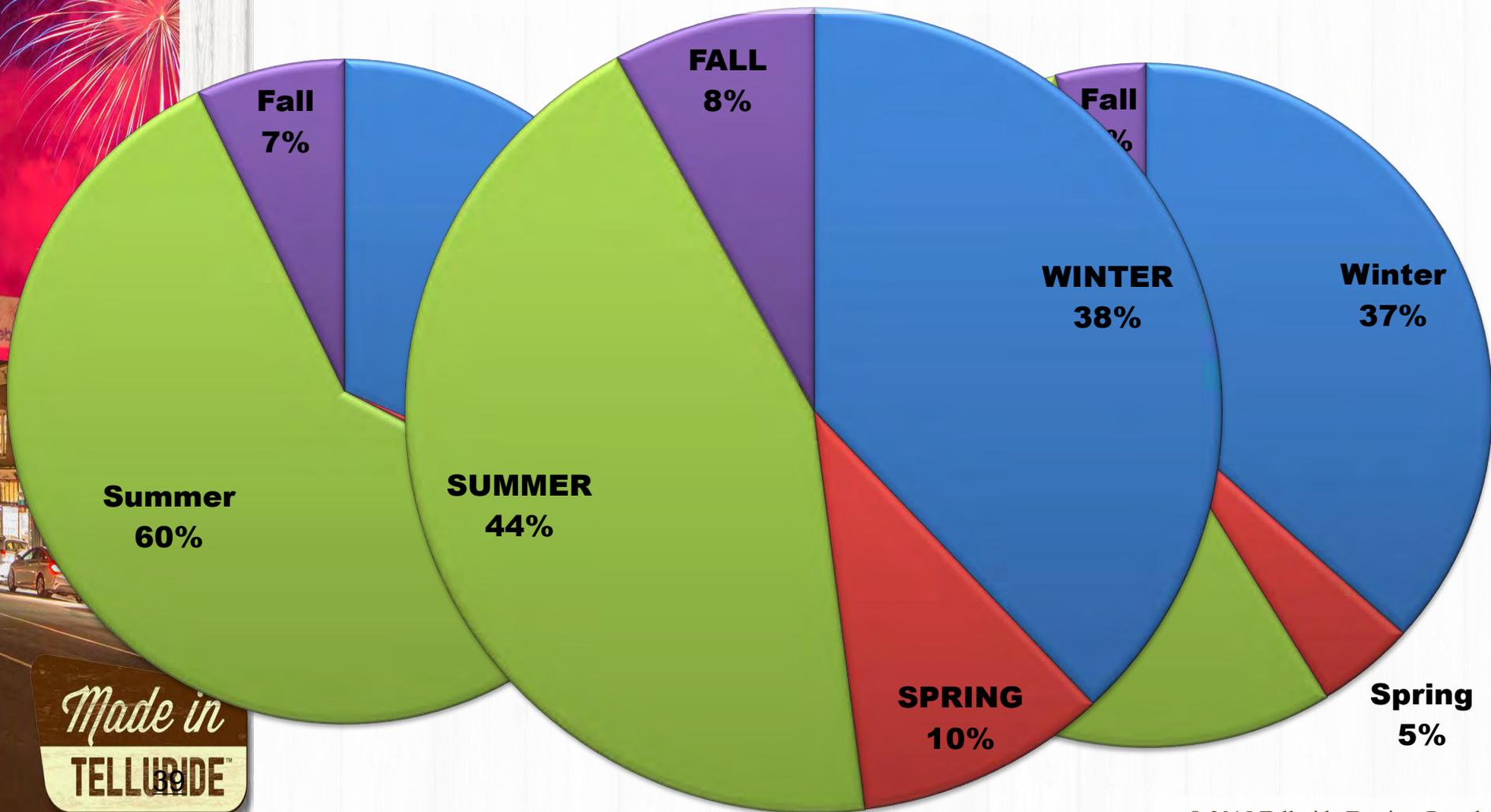
HISTORICAL PERSPECTIVE



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POPULATION vs HOTBED SEASONALITY

2013 POPULATION





HISTORIC

Keys - Stays - Visitors vs. 2007 Benchmark



YOY Change in Available Rooms

■ Available Rooms

327

LODGING: \$11,834,033.00

F&B & RETAIL: \$38,174,300.00

DIRECT SPEND: \$50,008,333.00

ECONOMIC IMPACT: \$137,522,915.75

2008

2009

2010

2011

2012

2013

2014

-167



HISTORIC

Occupancy - ADR - RevPAR



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	January	February	March	April	May	June	July	August	September	October	November	December	AVERAGE	W/CORE	S/CORE
2007															
OCCUPANCY	56%	57%	61%	17%	21%	45%	59%	49%	41%	21%	16%	42%	40.4%	52.8%	48.5%
AVERAGE DAILY RATE	\$251	\$304	\$298	\$163	\$109	\$194	\$178	\$181	\$209	\$110	\$106	\$352	\$205	\$311	\$191
RevPAR	\$141	\$174	\$180	\$26	\$25	\$87	\$105	\$88	\$85	\$23	\$17	\$148	\$92	\$156	\$91
2008															
OCCUPANCY	58%	62%	62%	14%	18%	46%	48%	47%	34%	18%	9%	39%	37.9%	56.0%	43.8%
AVERAGE DAILY RATE	\$272	\$294	\$293	\$127	\$109	\$214	\$170	\$200	\$192	\$113	\$93	\$322	\$200	\$303	\$194
RevPAR	\$156	\$183	\$180	\$18	\$20	\$98	\$82	\$95	\$65	\$22	\$9	\$125	\$88	\$167	\$85
2009															
OCCUPANCY	47%	53%	43%	10%	14%	34%	39%	35%	36%	13%	6%	34%	30.3%	45.5%	36.0%
AVERAGE DAILY RATE	\$241	\$247	\$244	\$130	\$134	\$184	\$155	\$146	\$204	\$118	\$109	\$338	\$188	\$264	\$172
RevPAR	\$110	\$130	\$104	\$14	\$18	\$66	\$61	\$51	\$73	\$16	\$7	\$116	\$64	\$117	\$63
2010															
OCCUPANCY	46%	54%	46%	10%	11%	36%	46%	45%	44%	14%	10%	33%	32.9%	45.0%	42.8%
AVERAGE DAILY RATE	\$222	\$259	\$265	\$133	\$115	\$184	\$167	\$178	\$197	\$119	\$116	\$382	\$195	\$271	\$182
RevPAR	\$101	\$114	\$121	\$13	\$13	\$66	\$76	\$79	\$86	\$14	\$11	\$125	\$68	\$113	\$77
2011															
OCCUPANCY	43%	53%	50%	6%	11%	38%	50%	42%	42%	16%	8%	36%	32.9%	44.8%	43.0%
AVERAGE DAILY RATE	\$318	\$267	\$282	\$147	\$111	\$203	\$161	\$157	\$199	\$113	\$128	\$351	\$203	\$312	\$180
RevPAR	\$137	\$142	\$140	\$8	\$12	\$77	\$81	\$65	\$84	\$18	\$10	\$127	\$75	\$136	\$77
2012															
OCCUPANCY	37%	50%	45%	9%	15%	40%	57%	51%	45%	19%	11%	34%	34.4%	42.0%	48.3%
AVERAGE DAILY RATE	\$246	\$252	\$265	\$137	\$121	\$193	\$161	\$178	\$188	\$116	\$115	\$345	\$193	\$279	\$180
RevPAR	\$90	\$127	\$119	\$12	\$17	\$77	\$92	\$91	\$85	\$22	\$12	\$117	\$72	\$116	\$86
2013															
OCCUPANCY	45%	56%	56%	9%	14%	44%	60%	52%	41%	21%	11%	31%	36.7%	47.8%	49.3%
AVERAGE DAILY RATE	\$273	\$270	\$268	\$151	\$130	\$218	\$187	\$208	\$204	\$133	\$131	\$461	\$220	\$289	\$204
RevPAR	\$123	\$151	\$151	\$14	\$19	\$95	\$112	\$108	\$84	\$28	\$14	\$142	\$87	\$136	\$100
2014															
OCCUPANCY	47%	56%	55%	12%	16%	45%	64%	52%	43%	27%	18%	42%	39.7%	47.2%	51.0%
AVERAGE DAILY RATE	\$308	\$303	\$336	\$127	\$143	\$216	\$208	\$218	\$197	\$127	\$127	\$435	\$229	\$352	\$210
RevPAR	\$144	\$170	\$185	\$15	\$23	\$94	\$129	\$114	\$84	\$34	\$23	\$181	\$100	\$160	\$105
2015															
OCCUPANCY	60%	71%	63%	15%	%	%	%	%	%	%	%	%	52.3%	59.0%	0.0%
AVERAGE DAILY RATE	\$291	\$335	\$352	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$294.50	\$353	\$0
RevPAR	\$174	\$238	\$223	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$166.25	\$204	\$0



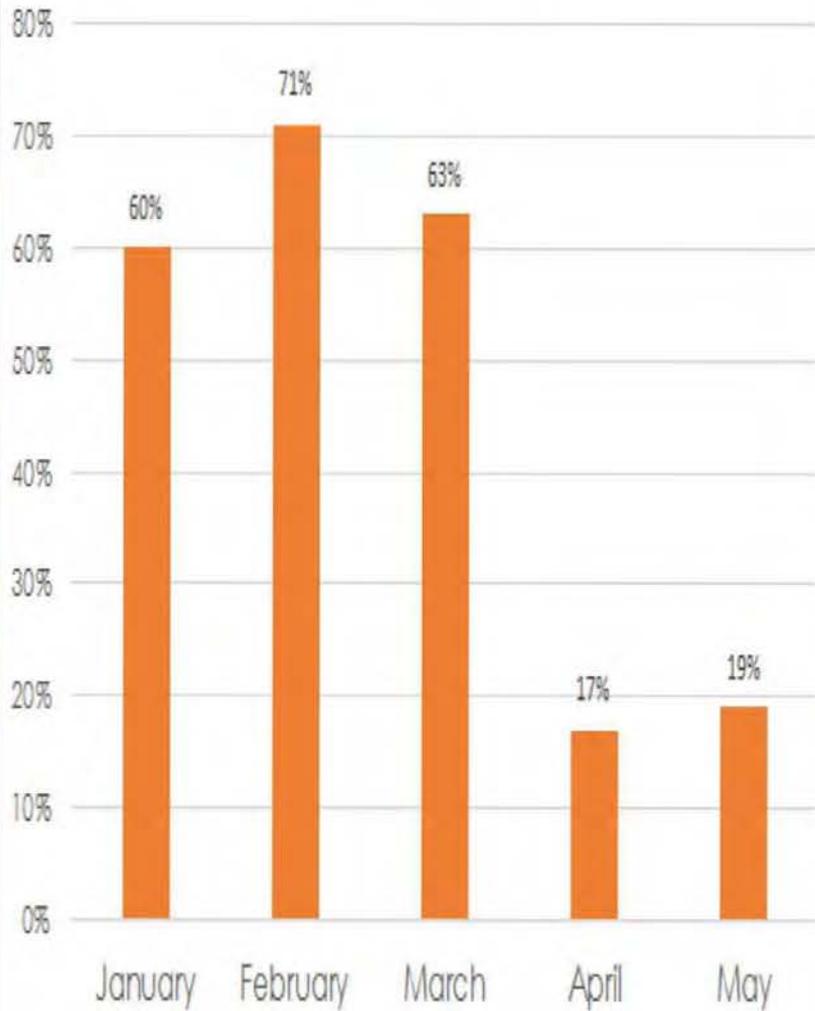
YOY OCCUPANCY

DESTINATION 2013, 2014, 2015

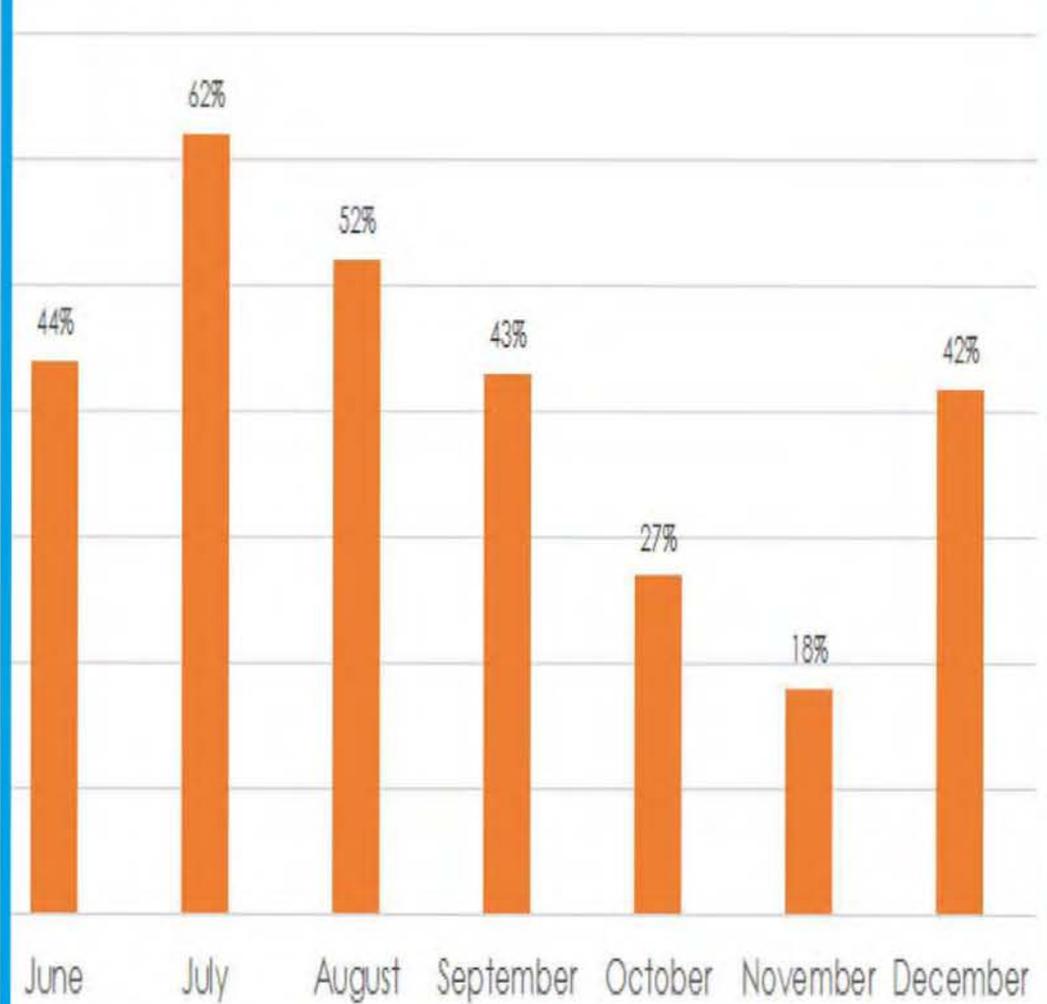


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2015 Occupancy



14 Occupancy





YOY ADR

DESTINATION 2013, 2014, 2015

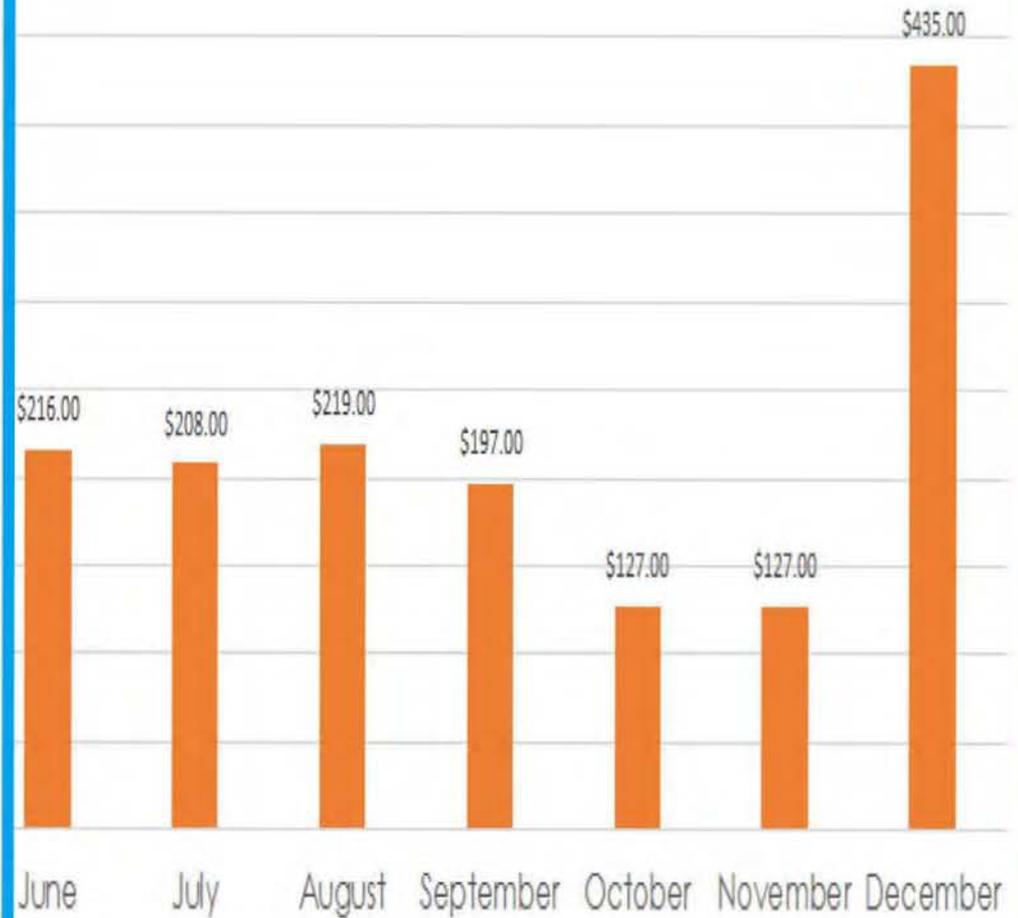


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2015 ADR



2014 ADR



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47



WINTER SALES TAX

Mountain Village vs. Telluride 2010/11 - 2014/15



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YOY WINTER SALES TAX COMPARISON

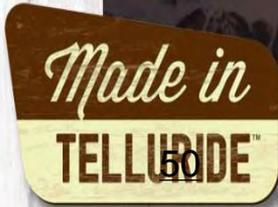
	2010-2011	2011-2012	+/-	2012-2013	+/-	2013-2014	+/-	2014-2015	+/-
Telluride Sales Tax									
DECEMBER	490807	536986	9.4%	528,527.00	-1.6%	574,157.00	7.9%	725,599.00	20.9%
JANUARY	401606	383921	-4.4%	439,157.00	14.4%	507,802.27	13.5%	529,198.00	4.0%
FEBRUARY	429111	426350	-0.6%	458,983.84	7.7%	502,654.09	8.7%	603,375.00	16.7%
MARCH	507263	505322	-0.4%	552,392.00	9.3%	647,009.46	14.6%	697,437.00	7.2%
	\$1,828,787.00	\$1,852,579.00	1.3%	\$1,979,059.84	6.8%	\$2,231,622.82	12.8%	\$2,555,609.00	14.5%
Mountain Village Sales Tax									
DECEMBER	423804.28	437597.73	3.3%	441,986.11	1.0%	485,115.78	8.9%	564,478.00	14.1%
JANUARY	327376.25	293768.87	-10.3%	402,209.07	36.9%	400,994.52	-0.3%	504,612.00	20.5%
FEBRUARY	382932.48	354859.08	-7.3%	425,291.87	19.8%	443,273.96	4.1%	532,225.00	16.7%
MARCH	438946.71	417695.9	-4.8%	516,075.06	23.6%	571,070.54	9.6%	690,806.00	17.3%
	\$1,573,059.72	\$1,503,921.58	-4.4%	\$1,785,562.11	18.7%	\$1,900,454.80	6.4%	\$2,292,121.00	20.6%
REGION GRAND TOTAL	\$3,401,846.72	\$3,356,500.58	-1.3%	\$3,764,621.95	12.2%	\$4,132,077.62	9.8%	\$4,847,730.00	17.3%
								PAST THREE SEASONS	39.2%

\$33,138,431 more gross taxable sales in the 2014-2015 winter season vs. the 2011-2012 winter season.



SUMMER SALES TAX

Mountain Village vs. Telluride 2011 - 2014



YOY SUMMMER SALES TAX COMPARISON

	2011	2012	+/-		2013	+/-		2014	+/-	
Telluride Sales Tax										
JUNE	447,651.00	462,413.00	14,762.00	3.3%	523,908.00	61,495.00	13.3%	567,481.00	43,573.00	8.3%
JULY	473,156.00	493,912.00	20,756.00	4.4%	551,474.00	57,562.00	11.7%	617,813.00	66,339.00	12.0%
AUGUST	386,367.00	467,475.00	81,108.00	21.0%	501,266.00	33,791.00	7.2%	550,238.00	48,972.00	9.8%
SEPTEMBER	468,432.00	468,858.00	426.00	0.1%	490,039.00	21,181.00	4.5%	546,149.00	56,110.00	11.5%
	\$1,775,606.00	\$1,892,658.00	\$117,052.00	6.6%	\$2,066,687.00	\$174,029.00	9.2%	\$2,281,681.00	\$214,994.00	10.4%
Mountain Village Sales Tax										
JUNE	140,321.26	149,540.62	9,219.36	6.6%	200,503.37	50,962.75	34.1%	200,155.42	-347.95	-0.2%
JULY	179,200.56	203,675.98	24,475.42	13.7%	237,581.18	33,905.20	16.6%	257,701.03	20,119.85	8.5%
AUGUST	185,393.66	214,674.47	29,280.81	15.8%	230,243.91	15,569.44	7.3%	229,804.08	-439.83	-0.2%
SEPTEMBER	158,389.16	169,842.69	11,453.53	7.2%	188,301.29	18,458.60	10.9%	208,545.88	20,244.59	10.8%
	\$663,304.64	\$737,733.76	\$74,429.12	11.2%	\$856,629.75	\$118,895.99	16.1%	\$896,206.41	\$39,576.66	4.6%
REGION GRAND TOTAL	\$2,438,910.64	\$2,630,391.76	\$209,179.63	8.91%	\$2,923,316.75	\$292,924.99	12.7%	\$3,177,887.41	\$254,570.66	7.51%
									PAST THREE SEASON	29.1%

\$16,421,706 more gross taxable sales in the 2014 summer season vs. the 2011 summer season.

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SEGMENTATION



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Segment	YOY Change (\$)	YOY Change (%)
TELLURIDE LODGING	\$2,422,933.33	12.92%
TELLURIDE RESTAURANT	\$1,625,644.44	5.21%
TELLURIDE RETAIL	\$10,329,800.00	23.76%
MOUNTAIN VILLAGE LODGING	\$2,717,088.89	9.79%
MOUNTAIN VILLAGE RESTAURANT	\$1,865,911.11	13.69%
MOUNTAIN VILLAGE RETAIL	\$672,755.56	5.07%
COMBINED LODGING	\$5,140,022.22	11.05%
COMBINED RESTAURANT	\$3,491,555.56	7.79%
COMBINED RETAIL	\$11,002,555.56	19.39%



QUESTIONS



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Only People Can Prevent Problems With Bears

Black bears are curious, smart and very adaptable. They're not fussy and will eat just about anything with calories. Bears want to get the most energy they can with the least amount of effort. Every bear's goal is to get fat enough to live through the winter.

Most conflicts between people and bears can be traced to easy-to-get-at human food, garbage, pet food, bird seed or other attractants. When people allow bears to find food, a bear's natural drive to eat can overcome its wariness of humans.

Bear Calorie Counter

Bird seed (7 lbs.)	12,180
Dog Food (25 lbs.)	42,425
Peanut Butter (28 oz.)	4,750
Shortening (3 lbs.)	12,430
Berries (1 lb.)	2,000



Bears that get too comfortable around people can destroy property or even become a threat to human safety. Habituated bears must often be destroyed. Please don't let bears die needlessly. Do your part to bear-proof your home and property, and help keep bears alive and wild.

Garbage Kills Bears

Much of what people throw away smells like food to a hungry bear. Standard metal or plastic trash cans won't keep out bears. Once bears learn where it's easy to get at the garbage, they'll come back again and again.

Never leave trash or recyclables out overnight. Empty cans and boxes still smell like food. One study showed that simply putting trash out the morning of pick up cuts the chances of a bear visit from 70 percent to 2 percent.



If you must leave trash outside, buy a bear-proof container, build a bear-proof enclosure or install an electric fence. To avoid attracting bears, clean containers regularly with ammonia or bleach.



Bears that learn garbage = food sometimes come inside homes looking for more. Don't make it easy for bears to visit; keep bear-accessible windows and doors in your home and garage locked.

Bird Feeders Kill Bears



Studies show that a big meal of tasty, nutritious seeds — a natural food for bears — is often the first reward a bear gets for exploring human places. Letting your bird feeders turn into bear feeders teaches bears that it's safe to come close to people and homes looking for food. And for bears that can be a deadly lesson.

We recommend not feeding birds during the months when bears are active.

Instead, use water features, plantings, nest boxes and flowers to attract birds. Use bird feeders only when bears are hibernating.

If you don't want to stop feeding birds, you need to hang your feeders at least ten feet off the ground and ten feet away from anything bears can climb.

Keep the area underneath feeders clean and free of bird seed and hulls, or switch to a hulled bird seed with no waste.

Never store bird seed outside, under your deck, or in a garage or shed a bear could break into. A 50-pound bag of bird seed has over 87,000 calories — a reward for the bear well worth the effort of breaking in.

Help Keep Bears Wild

Get in the habit of being bear-responsible. It's like recycling — at first it's a little extra effort, but soon it becomes a better way to live. And you can be proud you're helping to make Colorado a better place for people and bears.

- Don't feed bears, and don't put out food for other wildlife that attracts bears.
- Be responsible about trash and bird feeders.
- Burn food off barbecue grills and clean after each use.
- Keep all bear-accessible windows and doors closed and locked, including home, garage and vehicle doors.
- Don't leave food, trash, coolers, air fresheners or anything that smells in your vehicle.
- Pick fruit before it ripens, and clean up fallen fruit.
- Talk to your neighbors about doing their part to be bear-responsible.



If You See a Bear

If a bear comes near your home, do your best to chase it away. Yell, blow a whistle, clap your hands and make other loud noises. But never approach or corner a bear.

Colorado is Bear Country

Black bears have lived in the foothills and forests of Colorado since long before the pioneers arrived. Today 8,000 to 12,000 black bears are trying to share space with an ever-growing human population. With many more people living and playing in bear country, human-bear encounters are on the rise.

Colorado Bears Have People Problems

Every year, bears attracted to human food sources damage property, vehicles and even homes. Bears don't know they're doing anything wrong. They're just following their super-sensitive noses to the most calories they can find.

Bears that find food around homes, campgrounds and communities often lose their natural wariness of people. Even though black bears are not naturally aggressive and seldom attack or injure people, they are still strong, powerful animals. A bear intent on getting a meal could injure someone who gets in its way. Every year bears that have become too comfortable around people have to be destroyed.

Bears Need Your Help

Colorado Parks and Wildlife (CPW) is charged with protecting and preserving the state's wildlife. Every time we must destroy a bear, it's not just the bear that loses. We all lose a little piece of the wildness that makes Colorado so special.

Black Bears at a Glance

Bears are intelligent, resourceful and amazing animals.

- Black is a species, not a color. In Colorado many black bears are blonde, cinnamon or brown.
- Over 90 percent of a bear's natural diet is grasses, berries, fruits, nuts and plants. The rest is primarily insects and scavenged carcasses.
- Black bears are naturally shy, and very wary of people and other unfamiliar things. Their normal response to any perceived danger is to run away.
- In Colorado most bears are active from mid-March through early November. When food sources dwindle they head for winter dens.
- With a nose that's 100 times more sensitive than ours, a bear can literally smell food five miles away.
- Bears are very smart, and have great memories – once they find food, they come back for more.
- During late summer and early fall bears need 20,000 calories a day to gain enough weight to survive the winter without eating or drinking.
- Bears are not naturally nocturnal, but sometimes travel at night in hopes of avoiding humans.

Please Do
Your Part
to Keep
Bears
Wild

We're Here to Help

On the Web

Visit www.wildlife.state.co.us/bears for more information. You'll find fact sheets, a homeowner's checklist, information on safe camping and hiking and much more.

Through Bear Aware

Bear Aware volunteers can answer questions, offer practical advice and even make house calls. They also do educational programs and staff informational booths at events. To find a Bear Aware volunteer in your area or join or form a Bear Aware team, call your local office.

Colorado Parks & Wildlife Offices

Division offices are open Mon. – Fri., 8 a.m. to 5 p.m. For after-hours emergencies, contact the Colorado State Patrol or your local Sheriff's Department.

CPW Headquarters - Administrative Offices

6060 Broadway, Denver, CO 80216 . . (303) 297-1192

Brush	(970) 842-6300
Colorado Springs	(719) 227-5200
Denver	(303) 291-7227
Durango	(970) 247-0855
Ft. Collins	(970) 472-4300
Glenwood Springs	(970) 947-2920
Grand Junction	(970) 255-6100
Gunnison	(970) 641-7060
Hot Sulphur Springs	(970) 725-6200
Lamar	(719) 336-6600
Meeker	(970) 878-6090
Monte Vista	(719) 587-6900
Montrose	(970) 252-6000
Pueblo	(719) 561-5300
Salida	(719) 530-5520
Steamboat Springs	(970) 870-2197



Living With Bears



Bearproofing Your Home

Help Keep Bears Wild



Only people can prevent conflicts with bears. Please do your part to protect your home and property, and prevent conflicts with bears.

Keep Bears Out

- Many bears that enter homes do so through an unlocked or open window or door. Close and lock all bear-accessible windows and doors when you leave the house, and at night before you go to bed.
- If you must leave downstairs windows open, install sturdy grates or bars. Screens don't keep out bears.
- Keep garage doors and windows closed and locked at night and when you're not home. Don't leave your garage door standing open when you're not outside. Install extra-sturdy doors if you have a freezer, refrigerator, pet food, bird seed, or other attractants in your garage.
- Keep car doors and windows closed and locked if you park outside. Make sure there's nothing with an odor in your vehicle, including candy, gum, air fresheners, trash, lotions and lip balms.
- Bears are great climbers — remove any tree limbs that might provide access to upper level decks and windows.
- Replace exterior lever-style door handles with good quality round door knobs that bears can't pull or push open.
- Put on talk radio (not music) when you leave home; the human voice startles most bears.

Get Rid of Attractants

- Bears follow their super-sensitive noses to anything that smells like food, and can follow scents from up to five miles away.
- Don't leave trash out overnight unless it's in a bear-proof enclosure or container. Obey all local regulations.
- We recommend feeding birds only when bears are hibernating. If you want to feed birds when bears are active, please review the Attracting Birds, Not Bears fact sheet on our website.

- Don't store food of any kind in an unlocked garage, flimsy shed or on or under your deck.

- Don't leave anything with an odor outside, near open windows or in your vehicle, even if you're home. That includes scented candles, air fresheners, soaps and lotions.

Teach Bears They're Not Welcome

- If a bear comes into your yard or close to your home, do yourself and the bear a big favor, and scare it away. A confident attitude plus loud noises like a firm yell, clapping your hands, banging on pots and pans or blowing an air horn sends most bears running.
- If a bear enters your home, open doors and windows and make sure it can leave the same way it got in. Don't approach the bear or block escape routes.
- Never approach a bear. If a bear won't leave, call your local CPW office. If a bear presents an immediate threat to human safety, call 911.

Visit www.wildlife.state.co.us/bears for more information or call your local Colorado Parks and Wildlife Office.



Please Do
Your Part
to Keep
Bears
Wild

© JOHN DERYCH



**COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION**
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

Agenda Item #10

TO: Town Council
FROM: Savannah Jameson, Planner II
FOR: Town Council meeting on August 20, 2015
DATE: August 10, 2015
RE: Consideration of a Resolution to Approve a Revocable Encroachment Agreement for the installation of a new address monument in the Mountain Boulevard Road Right-of-Way for Lot SS-811.

PROJECT GEOGRAPHY

Legal Description: Lot SS-811
Address: 2 Mountain Village Boulevard, Mountain Village, Colorado
Applicant/Agent: Elitza Mladenova/One Architects, Inc.
Owner: Davis D. Fansler
Zoning: Single Family
Existing Use: Single Family
Proposed Use: Single Family
Lot Area: 5.67 acres
Adjacent Land Uses:

- **North:** Open Space
- **South:** N/A
- **East:** Single-family Residential
- **West:** Open Space

ATTACHMENTS

- Exhibit A: Application and site plan

BACKGROUND

The applicant has submitted a Design Review Process development application in accordance with the Community Development Code (CDC). The applicant is seeking approval for new address monument in the Mountain Village Boulevard Right-of-Way for Lot SS-811. The lot was originally platted with access off of Arizona Drive. Due to location of the wetlands the access is proposed from Mountain Village Boulevard. The easement corridor passes through open space parcel OSP-18A owned by TSG Ski & Golf Company. The Owner of Lot SS-811 has entered into a Maintenance and Access Easement Agreement with TSG to allow for the driveway and utilities to pass through Lot OSP-18A. The Design Review Board reviewed and unanimously approved the project at their meeting on August 6, 2015.

The Town owns the Benchmark Drive Road Right-of-Way, with the Council allowed to grant revocable encroachments at its sole discretion. The encroachment agreement will protect the Town from any damages to the new address monument installed in the Road Right-of-Way.

RECOMMENDATION

Staff recommends the Town Council approve the requested encroachment into Mountain Village Boulevard Right-of-Way, with the following proposed motion:

“I move to approve a resolution for a revocable encroachment agreement into the Mountain Village Boulevard Right-of-Way for a new stone address monument for Lot SS-811”

**RESOLUTION OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO TOWN COUNCIL
APPROVING A REVOCABLE ENCROACHMENT AGREEMENT INTO THE
MOUNTAIN VILLAGE BOULEVARD RIGHT-OF-WAY FOR A NEW ADDRESS
MONUMENT FOR THE ADJACENT SINGLE FAMILY RESIDENCE LOCATED ON LOT
SS-811**

RESOLUTION NO. 2015-0820-__

RECITALS:

- A. The Town of Mountain Village (“Town”) is the owner of record of real property described as the Mountain Village Boulevard Right-of-Way; and,
- B. Davis D. Fansler (“Owner”) is the owner of record of real property described as Lot SS-811, Town of Mountain Village, CO;
- C. Right-of-way encroachments are a discretionary allowance of the Town Council; and
- D. The proposed revocable encroachment is needed to allow for the new address monument; and,
- E. The Town Council conducted a public meeting on August 20, 2015.

Now, Therefore, Be It Resolved that the Town Council hereby approves a revocable encroachment in the Mountain Village Boulevard Right-of-Way as set forth in Exhibit A with a condition that the Planning Division staff prepares a revocable encroachment agreement for execution by the Town Manager and the Owner.

Section 1. Resolution Effect

- A. This Resolution shall have no effect on pending litigation, if any, and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the resolutions repealed or amended as herein provided and the same shall be construed and concluded under such prior resolutions.
- B. All resolutions, of the Town, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed, replaced and superseded to the extent only of such inconsistency or conflict.

Section 2. Severability

The provisions of this Resolution are severable and the invalidity of any section, phrase, clause or portion of this Resolution as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of this Resolution.

Section 3. Effective Date

This Resolution shall become effective on August 20, 2015 (the “Effective Date”) as herein referenced throughout this Resolution.

Section 4. Public Meeting

A public meeting on this Resolution was held on the 20th day of August, 2015 in the Town Council Chambers, Town Hall, 455 Mountain Village Blvd, Mountain Village, Colorado 81435.

Approved by the Mountain Village Town Council at a public meeting on August 20, 2015.

Town of Mountain Village, Town Council

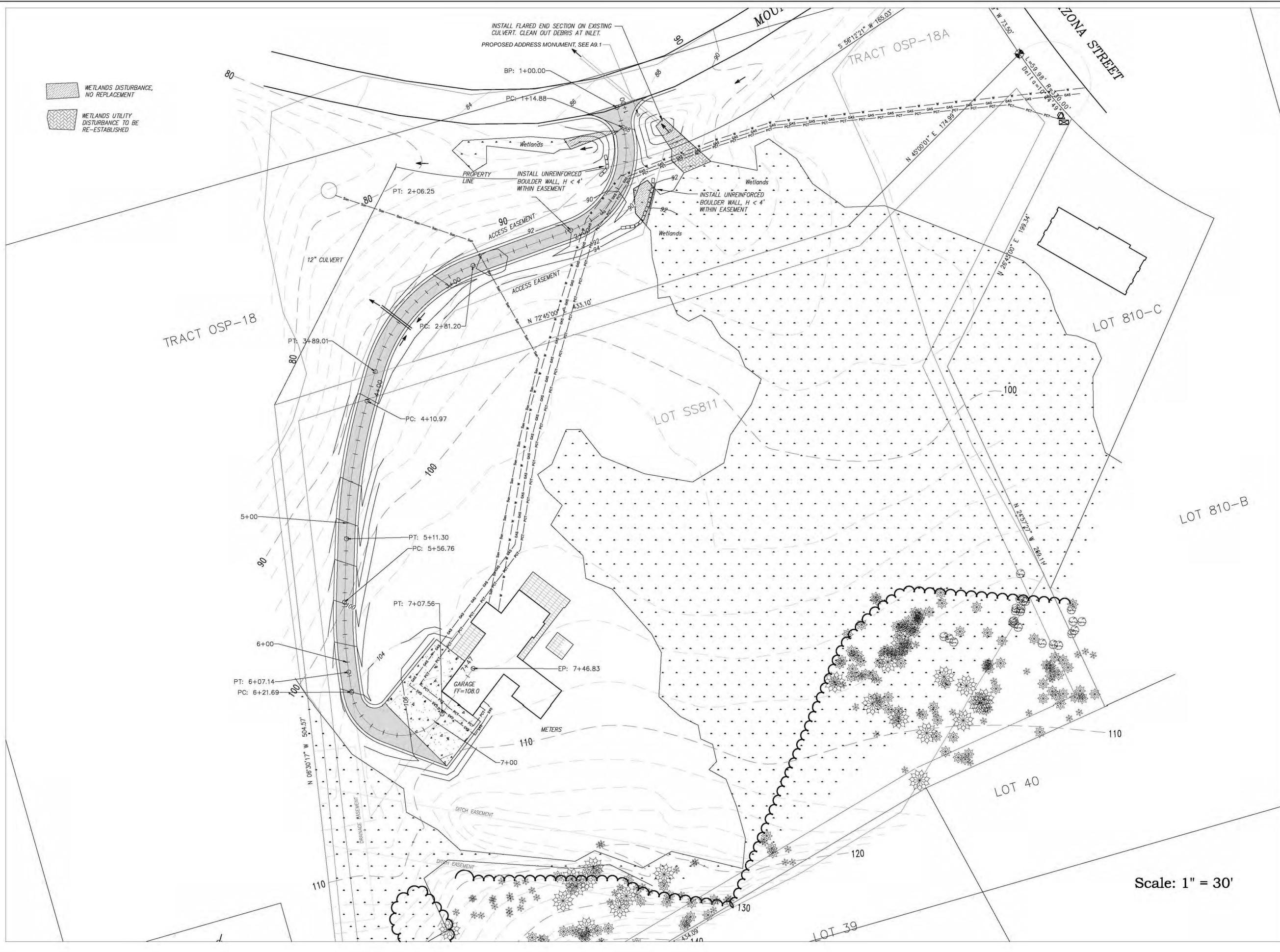
By: _____
Dan Jansen, Chair

Attest:

By: _____
Jackie Kennefick, Town Clerk

Approved as to form:

By: _____
James Mahoney, Assistant Town Attorney



 WETLANDS DISTURBANCE, NO REPLACEMENT
 WETLANDS UTILITY DISTURBANCE TO BE RE-ESTABLISHED

INSTALL FLARED END SECTION ON EXISTING CULVERT. CLEAN OUT DEBRIS AT INLET. PROPOSED ADDRESS MONUMENT, SEE A9.1

BP: 1+00.00

PC: 1+14.88

PT: 2+06.25

PC: 2+81.20

PC: 4+10.97

PT: 5+11.30
PC: 5+56.76

PT: 7+07.56

PT: 6+07.14
PC: 6+21.69

EP: 7+46.83

METERS

GARAGE
FF=108.0

DITCH EASEMENT

DITCH EASEMENT

LOT 39

LOT 40

LOT 810-B

LOT 810-C

LOT SS811

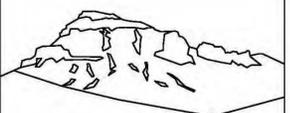
TRACT OSP-18

TRACT OSP-18A

MOD.

IZONA STREET

Scale: 1" = 30'



Uncompahgre Engineering, LLC

P.O. Box 3945
Telluride, CO 81435
970-729-0683

SUBMISSIONS:
INTERNAL REVIEW 2015-06-11

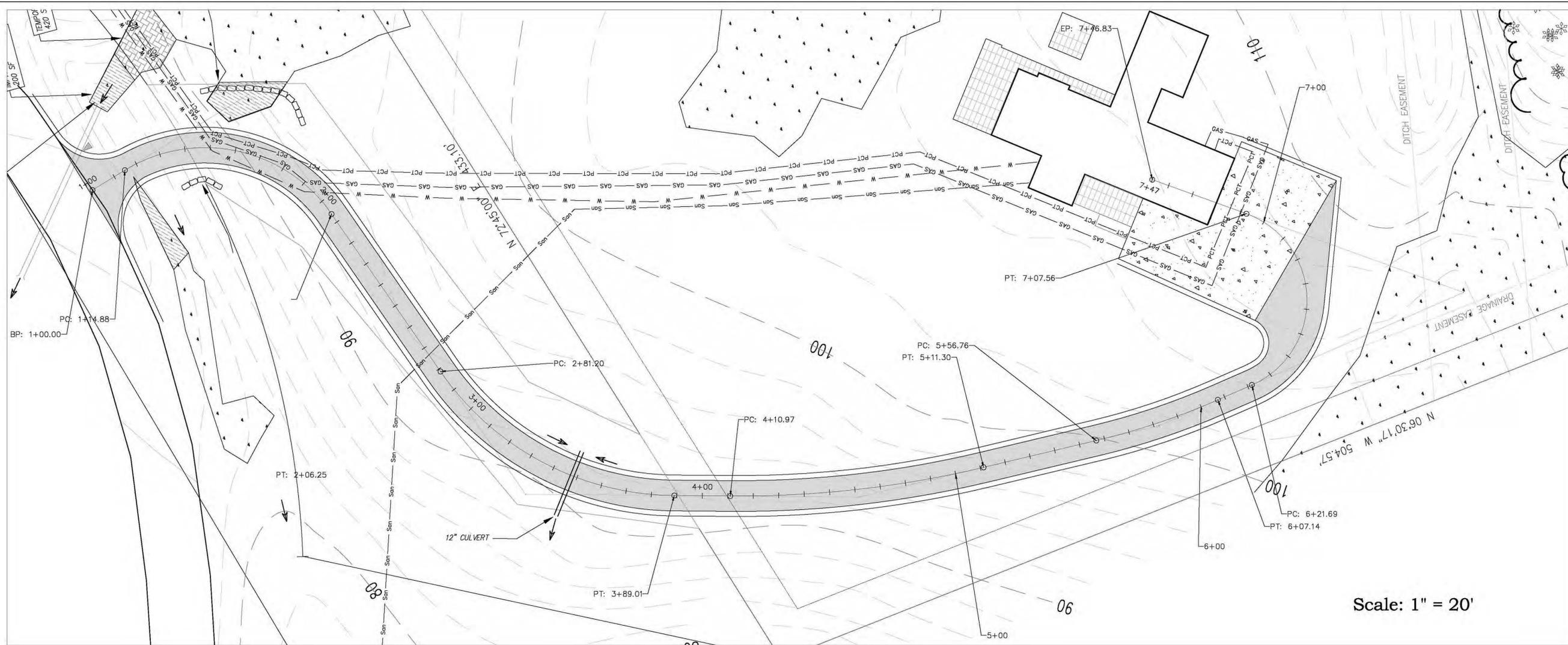
**Fansler Residence
Lot SS811
Mtn. Village, CO**

NOT FOR CONSTRUCTION

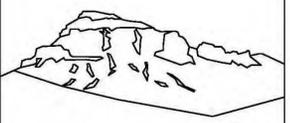
CONTRACTOR TO REVIEW AND COMPARE ALL CHAPTERS AND INTERDISCIPLINARY DRAWINGS AND REPORT ANY DISCREPANCIES TO THE ARCHITECT PRIOR TO ANY FIELD WORK BEING DONE IN ACCORDANCE WITH AIA DOCUMENT A201

**Driveway
Plan
and
Wetlands
Impacts**

C1



Scale: 1" = 20'



Uncompahgre Engineering, LLC

P.O. Box 3945
Telluride, CO 81435
970-729-0683

SUBMISSIONS:
SUBMITTAL 2015-06-11

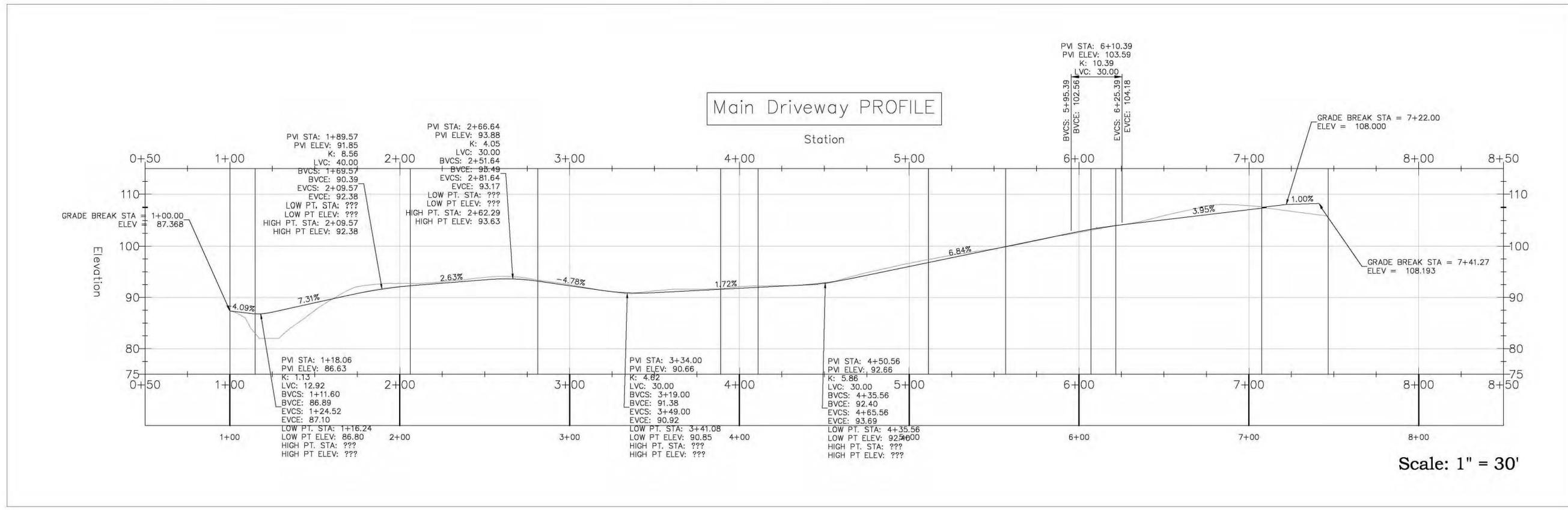
Fansler Residence
Lot SS811
Mtn. Village, CO

NOT FOR CONSTRUCTION

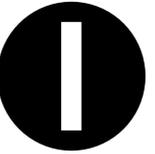
CONTRACTOR TO REVIEW AND COMPARE ALL CHAPTERS AND INTERDISCIPLINARY DRAWINGS AND REPORT ANY DISCREPANCIES TO THE ARCHITECT PRIOR TO ANY FIELD WORK BEING DONE IN ACCORDANCE WITH AIA DOCUMENT A201

**Driveway
Plan
and Profile**

C2



Scale: 1" = 30'



one architects inc

post office box 3442
220 e. colorado ave. suite 220
p.970.728.8877 f.970.728.8848
www.onearchitects.com
contact: bruce/jodie/bronwen/josh

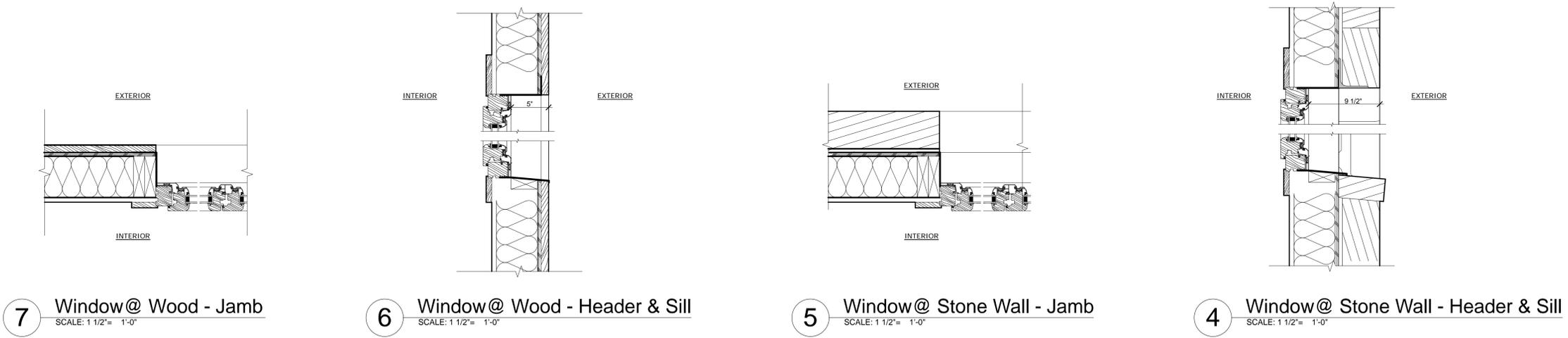
DAVIS + BOBBEY FANSLER

trmv lot # ss811
2 mountain village blvd
mountain village, colorado

FANSLER - 2 MVB

WINDOW SCHEDULE				
ID	Unit Height	Unit Width	Qty	Area
A	2'-4"	2'-4"	15	5.4 sf
B	4'-0"	2'-0"	8	8 sf
C	5'-0"	2'-6"	1	12.5 sf
D	5'-0"	5'-0"	3	25 sf
E	6'-0"	3'-0"	1	18 sf
F	6'-0"	6'-0"	8	18 sf
G	3'-0"	3'-0"	22	9 sf
H	3'-0"	2'-0"	8	6 sf
I	6'-0"	2'-6"	2	15 sf
J	6'-0"	5'-0"	5	30 sf
K	2'-6"	2'-6"	3	6.25 sf
L	5'-0"	3'-0"	1	15 sf

DOOR SCHEDULE		
ID	Unit Height	Unit Width
101	8'-0"	3'-0"
102	4'-6"	3'-0"
103	6'-0"	3'-0"
104	3'-0"	3'-0"
105	4'-6"	3'-0"
106	6'-0"	3'-0"
107	3'-0"	3'-0"

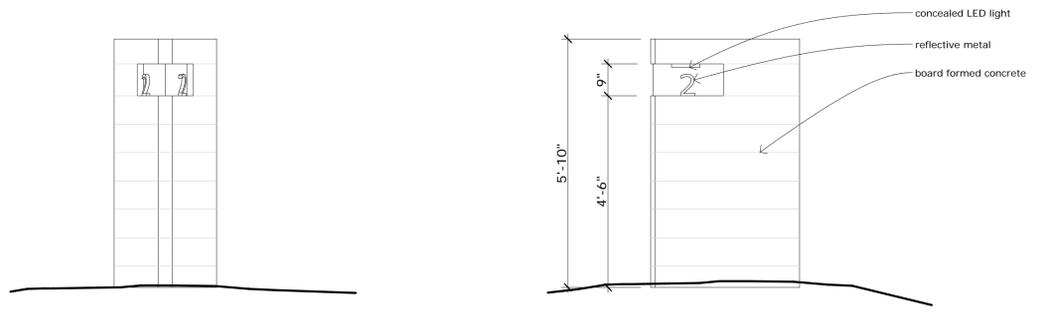


7 Window@ Wood - Jamb
SCALE: 1 1/2" = 1'-0"

6 Window@ Wood - Header & Sill
SCALE: 1 1/2" = 1'-0"

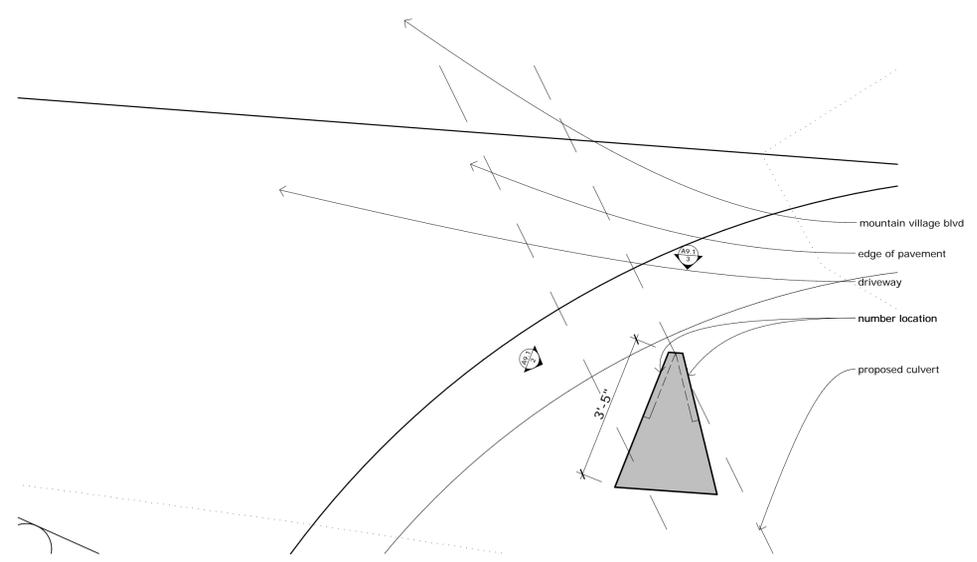
5 Window@ Stone Wall - Jamb
SCALE: 1 1/2" = 1'-0"

4 Window@ Stone Wall - Header & Sill
SCALE: 1 1/2" = 1'-0"



3 address monument front
SCALE: 1/2" = 1'-0"

2 address monument side
SCALE: 1/2" = 1'-0"



1 address monument plan
SCALE: 1/2" = 1'-0"

issuances:
DRB submittal 6/23/2015

A9.1
address
monument and
windows



**COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION**
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

Agenda Item No. 11

TO: Town Council
FROM: Savannah Jameson, Planner II
FOR: Meeting of August 20, 2015
DATE: August 10, 2015
RE: Second Reading, Public Hearing and Council Vote on an Ordinance to Rezone and Transfer Density on Lot 128, The Peaks Resort and Spa.

PROJECT GEOGRAPHY

Application Overview: Rezoning and density transfer to redesignate 174 Condo Hotel Units from hotel units to 142 efficiency lodge units and 32 lodge units without increasing the number of units at the Peaks. The proposal is to reclassify the zoning designation for the 174 units. Included in the proposal is the density transfer of 23 unbuilt and zoned hotel units to the density bank. There is no development or redevelopment proposed with these redesignations, with the goal to transfer excess density to the density bank.

Address: 136 Country Club Drive
Applicant/Agent: Law Offices of Thomas G. Kennedy
Owner: Telluride Resort and Spa LLC
Existing and Proposed Zoning: Village Center
Existing and Proposed Use: Village Center
Site Area: 5.559 acres
Adjacent Land Uses:
North: Village Center and Residential – Single Family
South: Active Open Space and Village Center
East: Village Center
West: Active Open Space

ATTACHMENTS

1. Applicant Narrative (Exhibit A)
2. Density Bank Spreadsheet (Exhibit B)

RECORD DOCUMENTS

- Town of Mountain Village Community Development Code (as amended)
- Town of Mountain Village Home Rule Charter (as amended)
- Rezoning/Density Transfer Application as maintained by the Community Development Department.

BACKGROUND

Overview of Development Applications

The applicant and owner's representative, Thomas G. Kennedy, have submitted an application for a rezoning and density transfer to redesignate 174 Condo Hotel Units from hotel units to 142 efficiency lodge units and 32 lodge units without increasing the number of units at The Peaks. The proposal is to reclassify the zoning designation for the 174 units. Included in the proposal is the density transfer of 23 unbuilt and zoned hotel units to the density bank.

The density currently assigned to Lot 128 by the original Official Land Use and Density Allocation List as recorded at Reception Number 301133 includes:

Zoning Designation	Actual Units	Person Equivalent Units
Hotel	200	300
Condo	26	78
	226	378

Resolution No. 2007-0517-09 transferred one condo to the density bank, leaving 25 condo units on Lot 128.

The Community Development Code definitions are as follows:

Hotel: A zoning designation that allows for a one (1) room space with separate bath and limited kitchen facilities used primarily for short-term accommodations. Limited kitchen facilities may include a sink, microwave, two-element burner, and a six (6) cubic foot (maximum) refrigerator. These units may be in a condominium community.

Efficiency Lodge: A zoning designation that allows for a habitable, one-room space with separate bath and limited kitchen facilities used primarily for short-term accommodations. Limited kitchen facilities may include a sink, microwave, two-element burner, six (6) cubic foot (maximum) refrigerator, trash compactor and garbage disposal. These units may be in a condominium community.

Lodge: A zoning designation that allows for a two (2) room space plus a mezzanine with up to two separate baths and a full kitchen. These units may be in a condominium community.

There is no substantive difference between hotel and efficiency lodge definitions. Lodge units allow for two room spaces and a full kitchen.

Some of the hotel units in the Peaks were constructed as lodge units, with separate bedrooms, so the proposal is to call these units lodge units. This will allow for the construction of a full kitchen if so desired by the owners. The main component of the proposal is to re-designate the hotel units to efficiency lodge units, with the main goal to transfer the density to the density bank as follows:

Zoning Designation	Actual Units	Person Equivalent Per Actual Unit	Person Equivalent Units
Hotel (Built Units Owned or Controlled by Applicant) ¹	174	1.5	261
Hotel (Unbuilt Units)	23	1.5	34.5
Total	197	1.5	295.5
Proposed On-Site Density²			
Lodge	32	0.75	24
Efficiency Lodge	142	0.5	71
Total	174		95
Difference to the Density Bank			
Lodge	266	0.75	199.5
Efficiency Lodge	2	0.5	1
	268		200.5

¹Three hotel units will remain zoned on Lot 128 that are assigned to platted units that are currently used for The Peaks' game room.

²The rezoning is not affecting the 3 hotel units that are a part of The Peaks' game room or the 25 zoned condominium units on the property.

The density flowing into the density bank is generated by re-designating the hotel units to lodge and efficiency lodge units (Hotel = 1.5 person equivalents; efficiency lodge unit = 0.5 person equivalents and a lodge unit = 0.75 person equivalents).

It is important to note that the proposed rezoning was extensively discussed during the creation of the Mountain Village Comprehensive Plan, and was seen as a way to help the Town achieve the density envisioned in the Town Hall Center and the Mountain Village Center subareas. In general, there was support for the proposed rezoning and density transfer knowing it will only transfer density to the density bank. Future rezoning applications will be required to transfer this density to a site. Existing density in the density bank is shown in Attachment B, with density bank certificates issued to each owner as set forth in the CDC.

CRITERIA FOR DECISION

Rezoning Criteria

1. The proposed rezoning is in general conformance with the goals, policies and provisions of the Comprehensive Plan because it will provide for density that can be utilized to implement the Comprehensive Plan and the rezoning and density transfer were discussed and accepted during the creation and adoption of the Comprehensive Plan.
2. The proposed rezoning is consistent with the Zoning and Land Use Regulations because the density limitation will not be exceeded and the remaining density on Lot 128 complies with the Zoning Regulations.
3. Future rezonings where density is transferred to a site will ensure that the Comprehensive Plan project standards will be met.

4. The proposed rezoning is consistent with public health, safety and welfare, as well as efficiency and economy in the use of land and its resources.
5. The proposed rezoning is justified because the density transfer was discussed and was accepted during the creation and adoption of the Comprehensive Plan;
6. It is not necessary to ensure adequate public facilities and services are available to serve the intended land uses because the density is being transferred to the density bank, with future rezonings to a site ensuring adequate infrastructure.
7. The proposed rezoning shall not create vehicular or pedestrian circulation hazards or cause parking, trash or service delivery congestion because it is simply transferring density to the density bank and not a site.
8. The proposed rezoning meets all applicable Town regulations and standards.

Density Transfer Criteria

1. The criteria for decision for a rezoning are met, since such density transfer must be processed concurrently with a rezoning development application (except for MPUD development applications);
2. The density transfer meets the density transfer and density bank policies; and
The proposed density transfer meets all applicable Town regulations and standards

ANALYSIS

The proposed development applications meet the criteria for decision as outlined in the findings set forth in the ordinance.

RECOMMENDATION

Staff recommends the Town Council approve the rezoning and density transfer application on Lot 128 with the following motion:

“I move to approve the rezoning of Lot 128 and to transfer 200.5 person equivalents of density to the density bank.”

ORDINANCE NO. 2015-___

**ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE,
COLORADO APPROVING: (1) REZONING AND (2) DENSITY TRANSFER ON LOT 128.**

RECITALS

- A. The applicant and owner’s representative, Law Offices of Thomas G. Kennedy, has submitted an application for a rezoning and density transfer for Lot 128. The proposed rezoning is proposing to redesignate 174 Condo Hotel Units from hotel units to 142 efficiency lodge units and 32 lodge units and transfer 200.5 Person Equivalent Units to the density bank. (“**Applications**”) pursuant to the requirements of the Community Development Code (“**CDC**”).
- B. Telluride Resort and Spa, LLC is the owner of Lot 128 (“**Telluride Resort and Spa, LLC**”).
- C. Lot 128, Filing 1, Town of Mountain Village is referred to as the “**Property**”.
- D. The Property has the following zoning designations pursuant to the Official Land Use and Density Allocation List as recorded at Reception Number 301133:

Zoning Designation	Actual Units	Person Equivalent Units	Zoning Designation	Actual Units	Person Equivalent Units
Hotel	200	300	Hotel	200	300
Condo	26	78	Condo	26	78
	226	378		226	378

Resolution No. 2007-0517-09 transferred one condo to the density bank, leaving 25 condo units on Lot 128.

- E. At a public hearing held on July 2, 2015, the DRB considered the Applications, testimony and public comment and recommended to the Town Council that the Applications be approved with conditions pursuant to the requirement of the CDC.
- F. At its regularly scheduled meeting held on July 16, 2015, the Town Council conducted a public hearing pursuant to the CDC and after receiving testimony and public comment, closed the hearing and approved this Ordinance on first reading and set a further public hearing on August 20, 2015.
- G. At its regularly scheduled meeting held on August 20, 2015, the Town Council conducted a public hearing on this Ordinance, pursuant to the Town Charter and after receiving testimony and public comment, closed the hearing and approved the Applications and this Ordinance on second reading.

H. This Ordinance rezones the Property as follows:

Current Density			
Zoning Designation	Actual Units	Person Equivalent Per Actual Unit	Person Equivalent Units
Hotel (Built Units Owned or Controlled by Applicant) ¹	174	1.5	261
Hotel (Unbuilt Units)	23	1.5	34.5
Total	197	1.5	295.5
Proposed On-Site Density²			
Lodge	32	0.75	24
Efficiency Lodge	142	0.5	71
Total	174		95
Difference to the Density Bank			
Lodge	266	0.75	199.5
Efficiency Lodge	2	0.5	1
Total	268		200.5

¹Three hotel units will remain zoned on Lot 128 that are assigned to platted units that are currently used for The Peaks' game room.

²The rezoning is not affecting the 3 hotel units that are a part of The Peaks' game room or the 25 zoned condominium units on the property.

- I. The meeting held on July 16, 2015 and the public hearing held on August 20, 2015 were duly publically noticed as required by the CDC Public Hearing Noticing Requirements, including but not limited to notification of all property owners within 400 feet of the Property, posting of a sign and posting on the respective agendas.
- J. The Town Council hereby finds and determines that the Applications meet the Rezoning Process Criteria for Decision as provided in CDC Section 17.4.9(D) as follows:

Rezoning Findings

1. The proposed rezoning is in general conformance with the goals, policies and provisions of the Comprehensive Plan.
2. The proposed rezoning is consistent with the Zoning and Land Use Regulations.
3. The proposed rezoning meets the Comprehensive Plan.
4. The proposed rezoning is consistent with public health, safety and welfare, as well as efficiency and economy in the use of land and its resources.
5. The proposed rezoning is justified because of the specific policies in the Comprehensive Plan that contemplate the rezoning as applied for.

- 6. Adequate public facilities and services are available to serve the intended land uses.
- 7. The proposed rezoning shall not create vehicular or pedestrian circulation hazards or cause parking, trash or service delivery congestion.
- 8. The proposed rezoning meets all applicable Town regulations and standards.
- K. The Town Council finds that the Applications meet the Rezoning Density Transfer Process criteria for decision contained in CDC Section 17.4.10(D)(2) as follows:
 - 1. The criteria for decision for a rezoning are met.
 - 2. The density transfer meets the density transfer and density bank policies.

NOW, THEREFORE, BE IT RESOLVED that the Town Council approves the Applications.

Section 1. Conditions of Approval

- 1. The Applicant shall work with Staff to complete the required Ordinance with Town Council and Submit appropriate fees to Staff for recordation with the San Miguel County Assessor’s office within six months of approval.

Section 2. Effect on Zoning Designations

There will be no change to the zone district. Lot 128 will remain a Village Center Zone District.

Section 3. Ordinance Effect

All ordinances, of the Town, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed, replaced and superseded to the extent only of such inconsistency or conflict.

Section 4. Severability

The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause or portion of this Ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of this Ordinance.

Section 5. Effective Date

This Ordinance shall become effective on September 20, 2015, following the public hearing and approval by Council on second reading.

Section 6. Public Hearing

A public hearing on this Ordinance was held on the 20th day of August, 2015 in the Town Council Chambers, Town Hall, 455 Mountain Village Blvd, Mountain Village, Colorado 81435.

INTRODUCED, READ AND REFERRED to public hearing before the Town Council of the Town of Mountain Village, Colorado on the 16th day of July, 2015.

TOWN OF MOUNTAIN VILLAGE

**TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Dan Jansen, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

HEARD AND FINALLY ADOPTED by the Town Council of the Town of Mountain Village, Colorado this 20th day of August, 2015.

TOWN OF MOUNTAIN VILLAGE

**TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Dan Jansen, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

Approved As To Form:

David Reed, Town Attorney

I, Jackie Kennefick, the duly qualified and acting Town Clerk of the Town of Mountain Village, Colorado ("Town") do hereby certify that:

1. The attached copy of Ordinance No. _____ ("Ordinance") is a true, correct and complete copy thereof.

2. The Ordinance was introduced, read by title, approved on first reading with minor amendments and referred to public hearing by the Town Council the Town ("Council") at a regular meeting held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on July 16, 2015, by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	"Yes"	"No"	Absent	Abstain
Dan Jansen, Mayor				
Cath Jett, Mayor Pro-Tem				
Laila Benitez				
Dan Caton				
Michelle Sherry				
Martin McKinley				
Bruce MacIntire				

3. A public hearing on the Ordinance was held by the Town Council at a regular meeting of the Town Council held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on August 20, 2015. At the public hearing, the Ordinance was considered, read by title, and approved without amendment by the Town Council, by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	"Yes"	"No"	Absent	Abstain
Dan Jansen, Mayor				
Cath Jett, Mayor Pro-Tem				
Laila Benitez				
Dan Caton				
Michelle Sherry				
Martin McKinley				
Bruce MacIntire				

4. The Ordinance has been signed by the Mayor, sealed with the Town seal, attested by me as Town Clerk, and duly numbered and recorded in the official records of the Town.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town this ____ day of _____, 2015.

Jackie Kennefick, Town Clerk

(SEAL)



REZONING/DENSITY TRANSFER APPLICATION

Community Development Department
Planning Division
 455 Mountain Village Blvd.
 Mountain Village, CO 81435
 (970) 728-1392

REZONING/DENSITY TRANSFER APPLICATION			
APPLICANT INFORMATION			
Name: Law Offices of Thomas G. Kennedy		E-mail Address: tom@tklaw.net	
Mailing Address: Box 3081		Phone: 728-2424	
City: Telluride	State: CO	Zip Code: 81435	
Mountain Village Business License Number: 000191			
PROPERTY INFORMATION			
Physical Address: Peaks		Acreage:	
Zone District: Village Center	Zoning Designations: See Addendum	Density Assigned to the Lot or Site: See Addendum	
Legal Description: Lot 128 - See Addendum for information about Peaks Condominium documents			
Existing Land Uses: Mixed Use			
Proposed Land Uses: Conversion from Hotel Units to Efficiency Lodge Units or Lodge Units			
OWNER INFORMATION			
Property Owner: Telluride Resort and Spa L.L.C., a Delaware limited liability company		E-mail Address: todd@herrickco.net	
Mailing Address: PO Box 2675		Phone: 970-728-5830	
City: Telluride	State: CO	Zip Code: 81435	
DESCRIPTION OF REQUEST			
See Addendum			

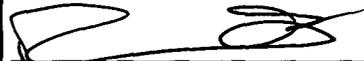


REZONING/DENSITY TRANSFER APPLICATION

Community Development Department
Planning Division
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

**OWNER/APPLICANT
ACKNOWLEDGEMENT
OF RESPONSIBILITIES**

I, Telluride Resort and Spa L.L.C., a Delaware limited liability company, the owner of Lot Peaks Density Rights (the "Property") hereby certify that the statements made by myself and my agents on this application are true and correct. I acknowledge that any misrepresentation of any information on the application submittal may be grounds for denial of the development application or the imposition of penalties and/or fines pursuant to the Community Development Code. We have familiarized ourselves with the rules, regulations and procedures with respect to preparing and filing the development application. We agree to allow access to the proposed development site at all times by member of Town staff, DRB members and the Town Council. We agree that if this request is approved, it is issued on the representations made in the development application submittal, and any approval or subsequently issued building permit(s) or other type of permit(s) may be revoked without notice if there is a breach of representations or conditions of approval. By signing this acknowledgement, I understand and agree that I am responsible for the completion of all required on-site and off-site improvements as shown and approved on the final plan(s) (including but not limited to: landscaping, paving, lighting, etc.). We further understand that I (we) are responsible for paying Town legal fees and other fees as set forth in the Community Development Code.



Signature of Owner Date



Signature of Applicant/Agent Date 6/1/15

OFFICE USE ONLY	
Fee Paid:	By:
	Planner:



REZONING/DENSITY TRANSFER
APPLICATION

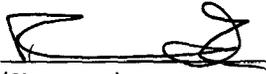
Community Development Department
Planning Division
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

OWNER AGENT AUTHORIZATION FORM

I have reviewed the application and hereby authorize Thomas G. Kennedy of

Law Offices of Thomas G. Kennedy

to be and to act as my designated representative and represent the development application through all aspects of the development review process with the Town of Mountain Village.


(Signature)

6/1/15
(Date)

Edward D. Herrick, Jr.
(Printed name)

**ADDENDUM TO REZONE/DENSITY TRANSFER
NARRATIVE**

June 1, 2015

Applicant/Owner: Telluride Resort and Spa L.L.C., a Delaware limited liability company (“TRS”).

BACKGROUND

The “Doral Telluride Resort and Spa” (“Peaks”), is an existing condominium regime created pursuant to: that certain the Declaration of Covenants, Conditions and Restrictions for the Doral Telluride Resort and Spa, a Condominium, recorded May 29, 1992 in Book 492 at page 938, the First Supplement thereto recorded March 16, 1993 in Book 507 at page 974, the Second Supplement thereto recorded June 11, 1993 in Book 512 at page 337, the Third Supplement thereto recorded June 30, 1994 in Book 531 at page 698 and the Fourth Supplement thereto recorded January 20, 1998 at reception No. 316647 as further amended and/or supplemented from time to time (collectively, the “Condominium Declaration”); and (b) that certain First Amendment to the Condominium Plat for Doral Telluride Resort and Spa, recorded June 26, 1992 in Plat Book 1 at pages 1315-1334, The First Supplement thereto recorded March 16, 1993 in Plat Book 1 at page 1459, the Second Supplement thereto recorded March 16, 1993 in Plat Book 1 at page 1460, the Third Supplement thereto recorded June 11, 1993 in Plat Book 1 at page 1496, the Fourth Supplement thereto recorded June 30, 1994 in Plat Book 1 at page 1692, the Fifth Supplement thereto recorded December 28, 1994 in Plat Book 1 at page 1791, the Sixth Supplement thereto recorded February 27, 1995 in Plat Book 1 at page 1799, the Seventh Supplement thereto recorded February 6, 1996 in Plat Book 1 at page 1994, the Eighth Supplement thereto recorded September 3, 1996 in Plat Book 1 at page 2104, and the Ninth Supplement thereto recorded April 5, 2001 in Plat Book 1 at page 2875, and the Second Amendment recorded on March 14, 2011 at Reception No.416900 Plat Book 1, Page 4441(“Second Map Amendment”, as may be further amended and/or supplemented from time to time (collectively, the “Condominium Map”); (c) the Articles of Incorporation and the Bylaws for Association, which are collectively referred to as the “Condominium Governing Documents” or “Project Documents”).

Pursuant to the Condominium Governing Documents, the Peaks currently consists of:

- (i) 177 Condominium Hotel Units (each a “Condominium Hotel Unit”);
- (ii) 27 Residential Penthouse Condominium Units (each a “Penthouse Unit”)
- (iii) 14 Commercial Condominium Units (each a “Commercial Units”); and
- (iv) Common elements (“Common Elements”) managed and operated by the Association.

The current zoning and density assigned to the Peaks is as follows:

CURRENT DESIGNATED ZONING AND DENSITY FOR LOTS 128/THE PEAKS

Zone District	Zoning Designation	Units	Density Points Per Unit	Total Density Points
Village Center				
	Hotel	200*	1.5	300
	Commercial			
	Condominium	26	3	78
				378

* Only 177 Hotel Units are currently built out, leaving 23 Hotel Units assigned to the property and suitable for development. The 23 Hotel Units have not been assigned to the density bank.¹

¹ TRS is the successor owner of the original rights and interests of all Doral Telluride Resort & Spa Associates, LP, a Delaware limited partnership, including the rights associated with the 23 hotel units.

SUMMARY OF APPLICABLE MT. VILLAGE ZONING/DENSITY

Classification	Uses	Density Points
Condominium	A zoning designation that allows for multi-family dwellings dwelling located in condominium community.	3.0 density points/unit
Hotel Unit	A zoning designation that allows for a one (1) room space with separate bath and limited kitchen facilities used primarily for short-term accommodations. Limited kitchen facilities may include a sink, microwave, two-element burner, and a six (6) cubic foot (maximum) refrigerator. These units may be in a condominium community.	1.5 density points/unit
Lodge Unit	A zoning designation that allows for a two (2) room space plus a mezzanine with up to two separate baths and a full kitchen. These units may be in a condominium community.	.75 density points/unit
Efficiency Lodge Unit	A zoning designation that allows for a habitable, one-room space with separate bath and limited kitchen facilities used primarily for short-term accommodations. Limited kitchen facilities may include a sink, microwave, two-element burner, six (6) cubic foot (maximum) refrigerator, trash compactor and garbage disposal. These units may be in a condominium community.	.50 density points/unit

Through this Application, TRS seeks to rezone: (1) the 174 of Condo Hotel Units which have been built out in the Peaks and which listed on attached **Exhibit “A”** from Hotel Units to either Efficiency Lodge or Lodge Units as noted on **Exhibit “A”**; (2) transfer the excess density resulting from the rezoning to the density bank to be held and owned by TRS, and (3) transfer the density associated with the remaining 23 Hotel Units to the density bank to be held and owned by TRS, the zoning for these 23 hotel units would remain as Hotel Units assigned to the Peaks to either Efficiency Lodge or Lodge Units as indicated on **Exhibit “A”**.

The following interests are excluded from the Application and are not intended to be affected or changed by the Application, nor does TRS assert any rights or claims to any unused density associated with these interests.

- Condo Hotel Units 201, 203 and 205
- The Condominium (Penthouse) Units
- Any remaining density associated with the Condominium (Penthouse) Units
- The Commercial Units
- The Common Elements

Prior to selling any of the Condo Hotel Units to third party purchasers, TRS executed and recorded a certain Declaration Of Covenants, Restrictions And Reservations (Density Transfer, Conveyed Land And New Development)(“**Rezone/Density Transfer Covenant**”) a copy is attached as **Exhibit “D”**. Pursuant to the Rezone/Density Transfer Covenant, TRS as the declarant reserved the right to submit, apply for, pursue and secure certain land use applications (“**Rezone/Density Transfer Application**”) with the Town of Mountain Village which would enable TRS to rezone and transfer density to some or all of the Condo Hotel Unit from “Hotel Units” to “Lodge Units” and/or “Efficiency Lodge Units”, as such terms are defined in the Mountain Village Land Use Ordinance from time to time and retain ownership of the density resulting from the Density Transfer Application. The within Application constitutes the Density Transfer Application contemplated by the Rezone/Density Transfer Covenant. The Rezone/Density Transfer Covenant was recorded against and burdens each of the Condo Hotel Units in the Peaks. Copies of certain Acknowledgements, although not required to perfect the right and enable the filing of the within Application, were executed by third party purchasers at Closing and recorded against their respect Condo Hotel Units, copies are attached as **Exhibit “E”**. As noted in the Rezone/Density Transfer Covenant, TRS has the right to submit, pursue and implement a Rezone/Density Transfer Application, seeking to rezone and transfer density from all Condo Hotel Units included in this Application, including those Condo Hotel Units which have been sold to third party purchasers, without a

requirement for the owners of the respective Condo Hotel Units or the Peaks Association to join the Application or further acknowledge or consent to the Application. ²

A copy of the Second Peaks Condominium Map Amendment showing each of the Condo Hotel Units is attached as **Exhibit “B”**.

² The Rezone/Density Transfer Covenant, among other things, stated and provided as follows with respect to the various rights being reserved by Declarant (TRS):

1.3. By taking and accepting title to a Condo Hotel Unit, each Condo Hotel Unit Owner with respect to the respective Condo Hotel Unit owned by the Condo Hotel Unit Owner, will be deemed to have acknowledged, consented and agreed to each of the following:

1.3.1. Declarant (TRS) has reserved the right to submit the Density Transfer Application to the Town, which may include the Condo Hotel Unit.

1.3.2. Declarant is authorized to submit and pursue the approval of the Density Transfer Application, including the Condo Hotel Unit owned by the Condo Hotel Unit Owner as part of the Density Transfer Application.

1.3.3. If the Density Transfer Application is approved by the Town of Mountain Village, the Condo Hotel Unit owned by each respective Condo Hotel Unit Owner: (a) would be rezoned from Hotel to either “Lodge Unit” or “Efficiency Lodge Unit”; and (b) would result in the creation of surplus density for the Condo Hotel (“**Excess Density**”) that would be transferred to the Density Bank (as such term is defined in the Mountain Village Land Use Ordinance from time to time).

1.3.4. As drafted as of the Effective Date, substantially each of the uses, activities furnishings, finishes and equipment that are currently allowed to occur in a Condo Hotel Unit zoned as a “Hotel Unit” will also be allowed to occur in a Condo Hotel Unit zoned a “Lodge Unit” and “Efficiency Lodge Unit”, except that the Land Use Code may be amended from time to time by the Town of Mountain Village, which could modify some or all of such uses, activities furnishings, finishes and equipment occurring in a Condo Hotel Unit zoned a “Lodge Unit” and “Efficiency Lodge Unit”.

1.3.5. Any and all rights, title and interest of each Condo Hotel Unit Owner in and to the Excess Density that may exist following the approval of the Density Transfer Application and that may otherwise be related to or associated with their particular Condo Hotel Unit are hereby reserved by and will be owned by the Declarant or its designees (“**Condo Hotel Density Transfer**”) and not the Condo Hotel Unit Owner. The foregoing shall not result in the transfer of any density associated with the Condo Hotel that will be required to accommodate the “Lodge Unit” or “Efficiency Lodge Unit” zoning and density that would be assigned to the Condo Hotel following the approval of the Density Transfer Application.

1.3.6. To the extent required, each Condo Hotel Unit Owner will promptly execute and deliver to Declarant any and all such other and additional documents, if any, that may be required to authorize Declarant to pursue the Density Transfer Application and include the Condo Hotel in the Density Transfer Application and/or to evidence the Condo Hotel Density Transfer, which additional documents may include a covenant, if required by the Town of Mountain Village, that restricts the use of the Condo Hotel to “Lodge Unit” or “Efficiency Lodge Unit” zoning and the configuration of the Condo Hotel to the condition that existed as of closing.

1.4. The foregoing notwithstanding, Declarant is responsible for pursuing all costs and expenses of the Density Transfer Application.

3. **Declarant As Attorney-In-Fact.** By taking and accepting title to a Condo Hotel Unit, each Condo Hotel Unit Owner with respect to the respective Condo Hotel Unit owned by the Condo Hotel Unit Owner, will be deemed to have irrevocably appoints the Declarant as the Condo Hotel Unit Owner’s true and lawful attorney-in-fact for the following purposes and the Declarant shall have full authorization, right and power to make, execute and deliver any application, contract, assignment, deed, document, amendment to Peaks Resort Governing Documents, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted herein to the Declarant as attorney-in-fact:

3.1. File the Rezoning Application, Density Transfer Application, the New Development Project Condominium Application, the New Development Project Town Application and all related documents.

3.2. Accept or agree to any approvals of the Rezoning Application, Density Transfer Application, the New Development Project Condominium Application, the New Development Project Town Application and all related documents.

3.3. Execute any and all such further documents, if any, required by Declarant or governmental entity necessary to transfer the Excess Density to the Density Bank.

3.4. Execute all deeds, bills of sale and all related documents, if any, required by Declarant or governmental entity necessary to transfer all rights, claims, title and interest in and to the Excess Density to the Declarant.

3.5. Execute a covenant that restricts the use of the Condo Hotel to the same Allowed Uses and configurations of the Condo Hotel existing at the time of the Rezoning Application, Density Transfer Application, the New Development Project Condominium Application, the New Development Project Town Application and all related documents, as applicable.

A copy of the typical layouts each of the Condo Hotel Units is attached as **Exhibit “C”**. These exhibits show the layout of those Condo Hotel Units proposed to be rezoned as Efficiency Lodge Units and those Condo Hotel Units proposed to be rezoned as Lodge Units.

The layout of the Condo Hotel Units complies with both the definition of Hotel Units and Efficiency Lodge Units (with respect to a one room unit) and the definition of Lodge Units (with respect to more than one room unit). The Mountain Village relies upon the allocation of density as a primary factor of zoning assigned to property in the Town. The overall development occurring in the Mountain Village must not exceed certain density thresholds arising in connection with approvals and agreements given by San Miguel County when the Mountain Village first developed as PUD under County regulations. Unused density either remains attached to the affected lot or is capable of being transferred to the Town Density Bank. Density in the Density Bank is held and owned by the person/party assigning the density in the Density Bank. Density in the Density Bank can be used by its owner for development in the Mountain Village or may be sold and transferred to a third party purchaser and utilized for development on property owned by the density purchaser.

Density is an important component of zoning in the Mountain Village and should be made available to support the overall development goals and objectives of the Mountain Village. The recently adopted Mountain Village Comprehensive Plan contemplated the potential rezoning of various parcels in the Mountain Village. The implementation of the zoning recommendations stated in the Comprehensive Plan will include the need for the affected landowner to own and assign density to the proposed development parcel.

The density allocated to the Peaks is inefficiently utilized. The configuration of the Condo Hotel Units fit the classification of a Lodge Unit and an Efficiency Lodge Unit, which requires less density than a Hotel Unit. Reclassifying the Condo Hotel Units from a Hotel Unit (1.5 density points/ Condo Hotel Unit) to either a Lodge Unit (.75 density points/ Condo Hotel Unit) or an Efficiency Lodge Unit (.50 density points/ Condo Hotel Unit) would release underutilized density, which would be available for other projects in the Mountain Village as envisaged by the Mountain Village Comprehensive Plan. The resulting density from the conversion is indicated on attached **Exhibit “A”**.

The resulting Rezoning will result in the conversion of the 174 Condo Hotel Units from being zoned Hotel Units to 142 Efficiency Lodge Units and 32 Lodge Units.

The Community Development Code (CDC) establishes certain review standards in connection with a rezoning of property in the Mountain Village, which are as follows:

- a. The proposed rezoning is in general conformance with the goals, policies and provisions of the Comprehensive Plan;
- b. The proposed rezoning is consistent with the Zoning and Land Use Regulations;
- c. The proposed rezoning meets the Comprehensive Plan project standards;
- d. The proposed rezoning is consistent with public health, safety and welfare, as well as efficiency and economy in the use of land and its resources;
- e. The proposed rezoning is justified because there is an error in the current zoning, there have been changes in conditions in the vicinity or there are specific policies in the Comprehensive Plan that contemplate the rezoning;
- f. Adequate public facilities and services are available to serve the intended land uses;
- g. The proposed rezoning shall not create vehicular or pedestrian circulation hazards or cause parking, trash or service delivery congestion; and
- h. The proposed rezoning meets all applicable Town regulations and standards.

The proposed rezoning/density transfer would not change the uses and activities occurring in the Condo Hotel Unit, which would still be part of the short-term rental program occurring in these units. The

Condo Hotel Units are burdened by a certain Declaration of Covenants for Condominium Hotel Operations, a copy of which is attached as **Exhibit "F"**. The Condominium Hotel Operations Declarations provides for the manner and method by which the Condo Hotel Unit would be managed, used and operated for short-term rental purposes.

The proposed rezoning/density transfer would not change any development existing on Lot 128/the Peaks project. The Mountain Village Comprehensive Plan contemplated potential development expansions on the Peaks property. The within application does not seek approvals or authorizations that would implement these recommendations.

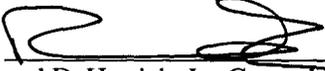
Because the proposed rezoning/density transfer is not changing any development that would occur on Lot 128/the Peaks project, there is no impact on the public health, safety and welfare, as well as efficiency and economy in the use of land and its resources. Similarly, there remain adequate public facilities and services available to serve the existing land uses. There will be no new or additional impacts to vehicular or pedestrian circulation, nor will the application result in parking, trash or service delivery congestion.

For the reasons stated above, TRS respectfully requests that the Town approve its application seeking to rezone its property interests in density rights associated with the Peaks and authorize all excess density in the Peaks relating to the Condo Hotel Units, except with respect to Units 201, 203 and 205 to be transferred to the Density Bank.

Respectfully Submitted,

Telluride Resort and Spa L.L.C., a Delaware limited liability company

By: Peaks Capital Partners, LLC, a Colorado limited liability company,
Its Manager

By: 
Edward D. Herrick, Jr., General Manager

Date: 6/1/15

Exhibit "A"
(Peaks Condo Hotel Units Land Use Table)

Lot 128 - Peaks Condo Hotel Units Land Uses

Condo Hotel Unit #	Existing Zoning	Existing Density (Persons of Density Per Unit)	Proposed Zoning	Proposed Density (Persons of Density Per Unit)	Surplus Density (Persons of Density Per Unit)
201 (excluded from application)	Hotel	1.5	Excluded From Rezoning and Density Transfer	n/a	n/a
203 (excluded from application)	Hotel	1.5	Excluded From Rezoning and Density Transfer	n/a	n/a
205 (excluded from application)	Hotel	1.5	Excluded From Rezoning and Density Transfer	n/a	n/a
211	Hotel	1.5	Efficiency Lodge Unit	0.5	1
212	Hotel	1.5	Efficiency Lodge Unit	0.5	1
213	Hotel	1.5	Efficiency Lodge Unit	0.5	1
214	Hotel	1.5	Efficiency Lodge Unit	0.5	1
215	Hotel	1.5	Efficiency Lodge Unit	0.5	1
216	Hotel	1.5	Efficiency Lodge Unit	0.5	1
217	Hotel	1.5	Efficiency Lodge Unit	0.5	1
218	Hotel	1.5	Efficiency Lodge Unit	0.5	1
219	Hotel	1.5	Efficiency Lodge Unit	0.5	1
220	Hotel	1.5	Efficiency Lodge Unit	0.5	1
221	Hotel	1.5	Efficiency Lodge Unit	0.5	1
222	Hotel	1.5	Lodge Unit	0.75	0.75
223	Hotel	1.5	Lodge Unit	0.75	0.75
301	Hotel	1.5	Efficiency Lodge Unit	0.5	1
303	Hotel	1.5	Efficiency Lodge Unit	0.5	1
305	Hotel	1.5	Efficiency Lodge Unit	0.5	1
308	Hotel	1.5	Efficiency Lodge Unit	0.5	1
310	Hotel	1.5	Efficiency Lodge Unit	0.5	1
311	Hotel	1.5	Efficiency Lodge Unit	0.5	1
312	Hotel	1.5	Efficiency Lodge Unit	0.5	1

313	Hotel	1.5	Efficiency Lodge Unit	0.5	1
314	Hotel	1.5	Efficiency Lodge Unit	0.5	1
315	Hotel	1.5	Efficiency Lodge Unit	0.5	1
316	Hotel	1.5	Efficiency Lodge Unit	0.5	1
317	Hotel	1.5	Efficiency Lodge Unit	0.5	1
318	Hotel	1.5	Efficiency Lodge Unit	0.5	1
319	Hotel	1.5	Efficiency Lodge Unit	0.5	1
320	Hotel	1.5	Efficiency Lodge Unit	0.5	1
321	Hotel	1.5	Efficiency Lodge Unit	0.5	1
322	Hotel	1.5	Lodge Unit	0.75	0.75
323	Hotel	1.5	Lodge Unit	0.75	0.75
325	Hotel	1.5	Efficiency Lodge Unit	0.5	1
326	Hotel	1.5	Efficiency Lodge Unit	0.5	1
327	Hotel	1.5	Efficiency Lodge Unit	0.5	1
328	Hotel	1.5	Efficiency Lodge Unit	0.5	1
329	Hotel	1.5	Efficiency Lodge Unit	0.5	1
330	Hotel	1.5	Efficiency Lodge Unit	0.5	1
331	Hotel	1.5	Lodge Unit	0.75	0.75
332	Hotel	1.5	Efficiency Lodge Unit	0.5	1
333	Hotel	1.5	Efficiency Lodge Unit	0.5	1
334	Hotel	1.5	Lodge Unit	0.75	0.75
335	Hotel	1.5	Efficiency Lodge Unit	0.5	1
336	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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340	Hotel	1.5	Efficiency Lodge Unit	0.5	1
341	Hotel	1.5	Efficiency Lodge Unit	0.5	1
342	Hotel	1.5	Efficiency Lodge Unit	0.5	1
343	Hotel	1.5	Efficiency Lodge Unit	0.5	1
344	Hotel	1.5	Lodge Unit	0.75	0.75

346	Hotel	1.5	Lodge Unit	0.75	0.75
348	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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350	Hotel	1.5	Efficiency Lodge Unit	0.5	1
351	Hotel	1.5	Lodge Unit	0.75	0.75
352	Hotel	1.5	Lodge Unit	0.75	0.75
401	Hotel	1.5	Efficiency Lodge Unit	0.5	1
403	Hotel	1.5	Efficiency Lodge Unit	0.5	1
405	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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410	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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421	Hotel	1.5	Efficiency Lodge Unit	0.5	1
422	Hotel	1.5	Lodge Unit	0.75	0.75
423	Hotel	1.5	Lodge Unit	0.75	0.75
425	Hotel	1.5	Efficiency Lodge Unit	0.5	1
426	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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429	Hotel	1.5	Efficiency Lodge Unit	0.5	1
430	Hotel	1.5	Efficiency Lodge Unit	0.5	1
431	Hotel	1.5	Lodge Unit	0.75	0.75

432	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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443	Hotel	1.5	Efficiency Lodge Unit	0.5	1
444	Hotel	1.5	Lodge Unit	0.75	0.75
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448	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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450	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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452	Hotel	1.5	Lodge Unit	0.75	0.75
501	Hotel	1.5	Efficiency Lodge Unit	0.5	1
502	Hotel	1.5	Efficiency Lodge Unit	0.5	1
503	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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522	Hotel	1.5	Lodge Unit	0.75	0.75
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543	Hotel	1.5	Efficiency Lodge Unit	0.5	1
544	Hotel	1.5	Lodge Unit	0.75	0.75
546	Hotel	1.5	Lodge Unit	0.75	0.75
548	Hotel	1.5	Efficiency Lodge Unit	0.5	1

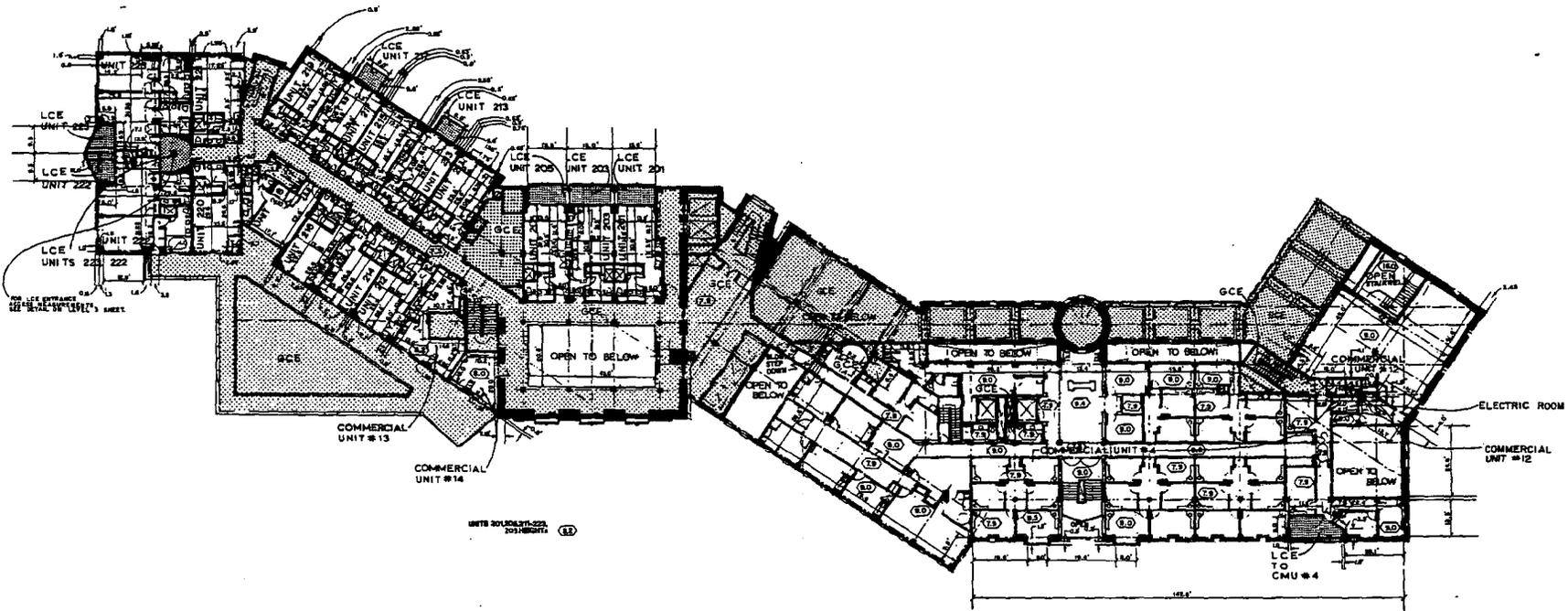
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626	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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628	Hotel	1.5	Efficiency Lodge Unit	0.5	1
629	Hotel	1.5	Efficiency Lodge Unit	0.5	1
630	Hotel	1.5	Efficiency Lodge Unit	0.5	1
631	Hotel	1.5	Lodge Unit	0.75	0.75
632	Hotel	1.5	Efficiency Lodge Unit	0.5	1
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634	Hotel	1.5	Lodge Unit	0.75	0.75
635	Hotel	1.5	Efficiency Lodge Unit	0.5	1
636	Hotel	1.5	Efficiency Lodge Unit	0.5	1
637	Hotel	1.5	Efficiency Lodge Unit	0.5	1
638	Hotel	1.5	Efficiency Lodge Unit	0.5	1
639	Hotel	1.5	Efficiency Lodge Unit	0.5	1
640	Hotel	1.5	Efficiency Lodge Unit	0.5	1
641	Hotel	1.5	Efficiency Lodge Unit	0.5	1
642	Hotel	1.5	Efficiency Lodge Unit	0.5	1
643	Hotel	1.5	Efficiency Lodge Unit	0.5	1
644	Hotel	1.5	Lodge Unit	0.75	0.75
646	Hotel	1.5	Lodge Unit	0.75	0.75
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651	Hotel	1.5	Lodge Unit	0.75	0.75
652	Hotel	1.5	Lodge Unit	0.75	0.75

Sub-Total 174 Existing Hotel Units		265.5		95	166
Remaining 23 Unused Hotel Units	Hotel	23 x 1.5 = 34.5	Zoning Not being changed, Density included in Density Transfer	n/a	166+ 34.5 = 200.50
Remaining 2 Unused Condominium Units	Condominium		Excluded From Rezoning and Density Transfer		

Resulting Rezoning

142 Efficiency Lodge Units
32 Lodge Units

Exhibit "B"
(Peaks Condo Hotel Units Condominium Map Amendment)



- LEGEND**
- GCE General Common Element
 - LCE Limited Common Element
 - Room Height (horizontal boundary)
 - Height Change

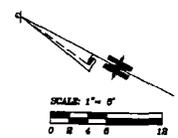
Doral Telluride
RESORT & SPA

GREENHORNE & O'MARA, INC.
Engineers / Architects / Planners / Scientists / Surveyors
2221 South Douglas Way Suite 400 Aurora, Colorado 80014 (303)-755-0000

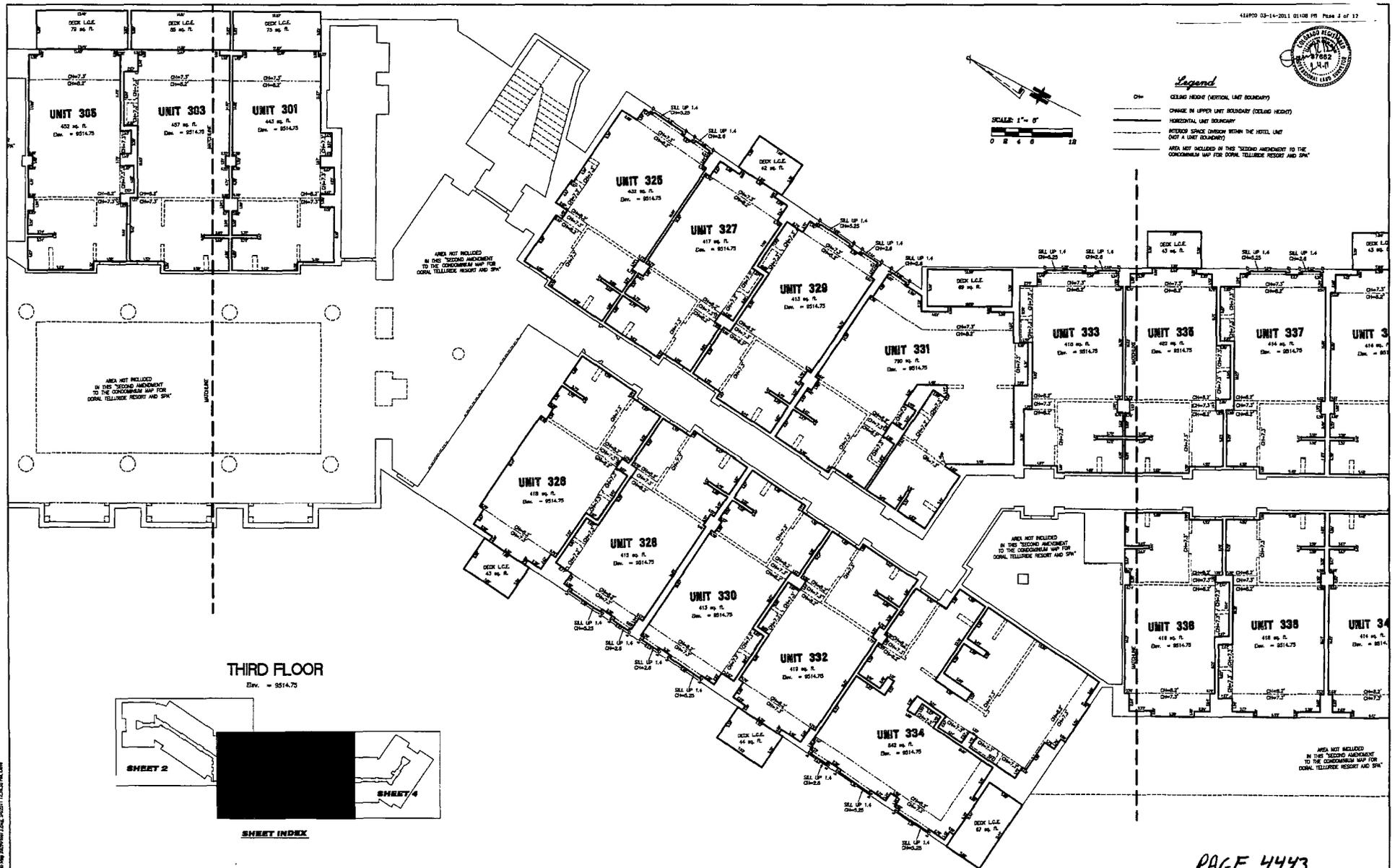
NOTE: ALL THROUGH WALLS AND A.S. VENTS SHALL BE INSTALLED PER PLAN.

LEVEL TWO

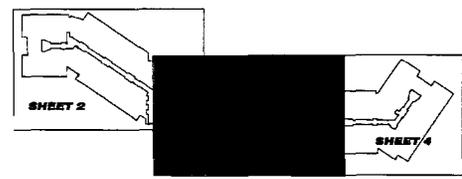
SHEET 8 OF 20



- Legend**
- CH- Ceiling Height (Vertical Unit Boundary)
 - CH- Change in Upper Unit Boundary (Ceiling Height)
 - Horizontal Unit Boundary
 - Interior Space Division Within the Hotel Unit (Not a Unit Boundary)
 - Area Not Included in this Second Amendment to the Condominium Map for Doral Telluride Resort and Spa



THIRD FLOOR
Elev. = 8514.75



Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

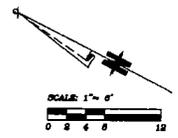
Project No.	08
Revised No.	01
Drawn by	
Checked by	
Start Date	12/7/2009

FOLEY ASSOCIATES, INC.
125 W. PACIFIC, SUITE B-1
TELLURIDE, COLORADO 81435

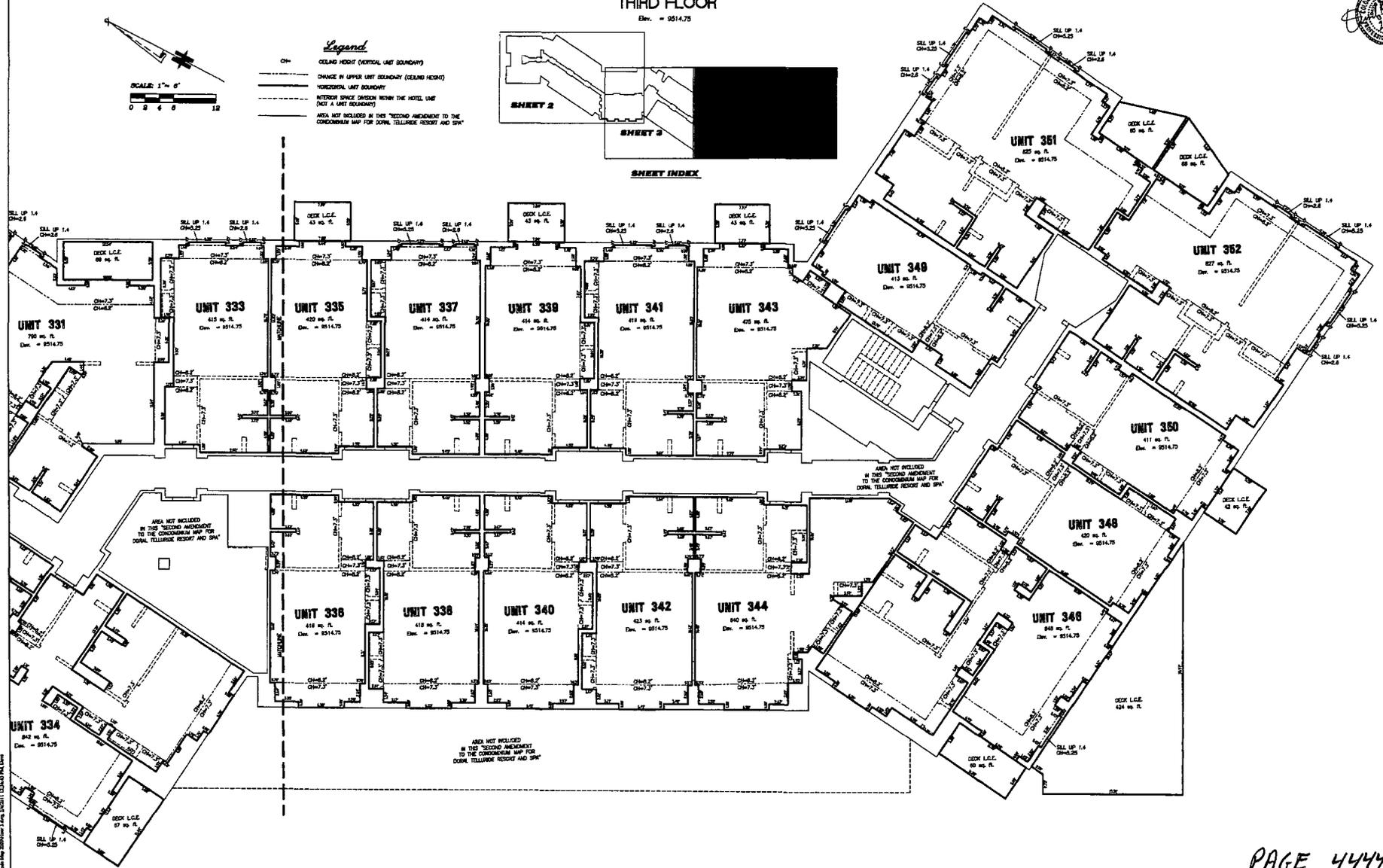
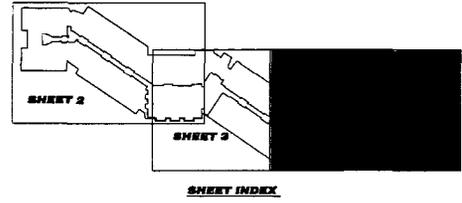
PAGE 4443
870-728-6153 870-728-6050 fax
P.O. BOX 1385
125 W. PACIFIC, SUITE B-1
TELLURIDE, COLORADO 81435
Sheet 3 of 12 Project #: 02021



THIRD FLOOR
 Elev. = 8514.75



- Legend**
- CH- CEILING HEIGHT (VERTICAL UNIT BOUNDARY)
 - CHANGE IN UPPER UNIT BOUNDARY (CEILING HEIGHT)
 - VERTICAL UNIT BOUNDARY
 - INTERIOR SPACE (SHOWN WITHIN THE HOTEL UNIT (NOT A UNIT BOUNDARY))
 - AREA NOT INCLUDED IN THIS SECOND AMENDMENT TO THE CONDOMINIUM MAP FOR DORAL TELLURIDE RESORT AND SPA



Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
 Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

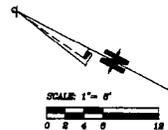
Project No.	08
Scale	AS SHOWN
Author	TD
Checked by	
Date	12/7/2011

FOLEY ASSOCIATES, INC.
 REGISTERED PROFESSIONAL ENGINEER

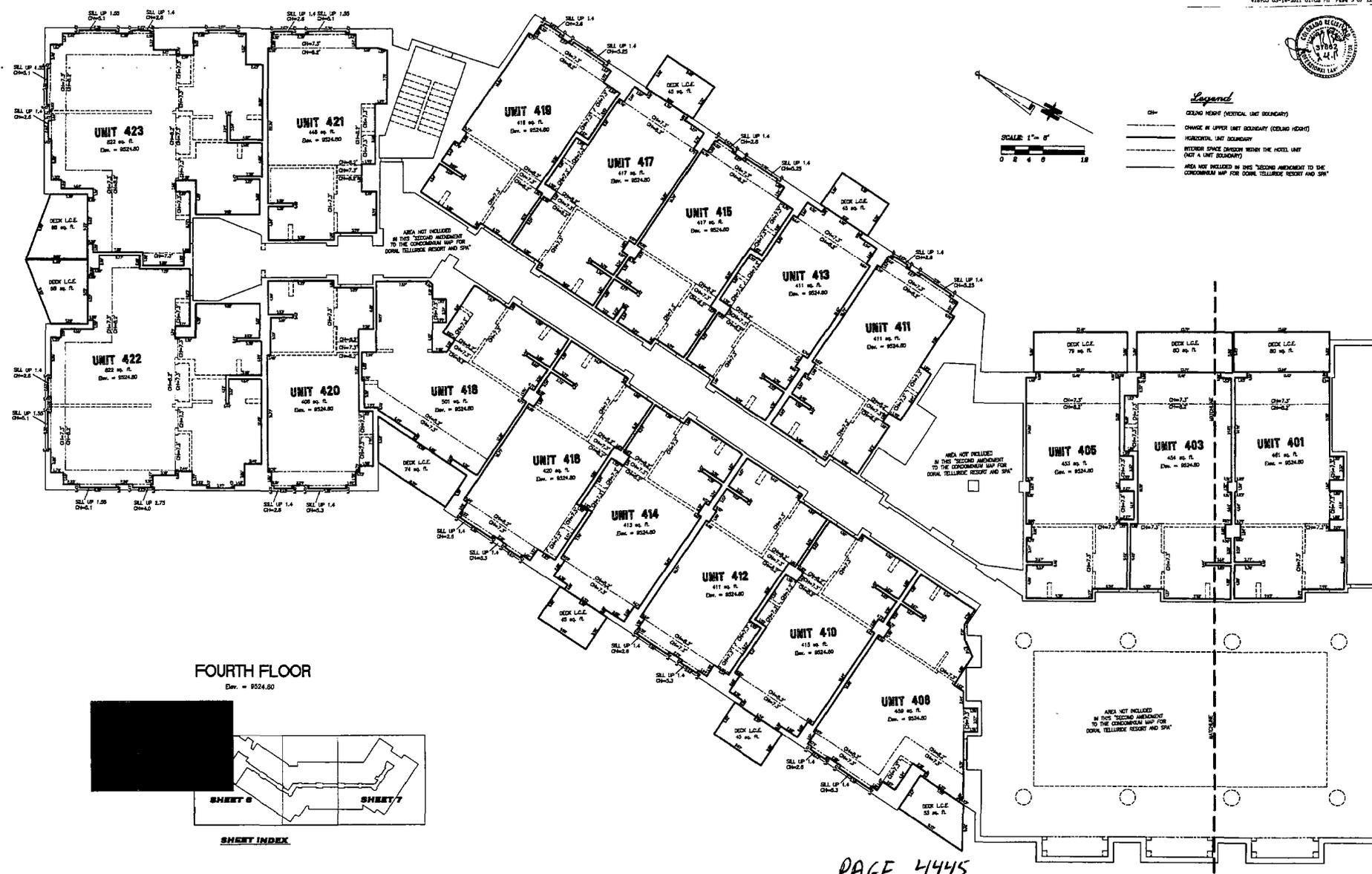
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970-728-6153 970-728-6050 fax
 P.O. BOX 13265
 125 W. PACIFIC, SUITE B-1
 TELLURIDE, COLORADO 81495

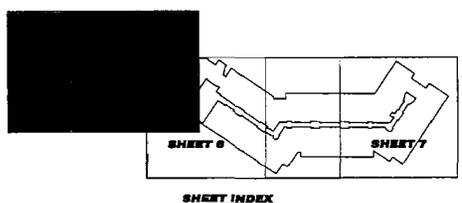
Sheets of 12 Project #: 0201



- Legend**
- CEILING HEIGHT (VERTICAL UNIT BOUNDARY)
 - CHANGE IN UPPER UNIT BOUNDARY (CEILING HEIGHT)
 - HORIZONTAL UNIT BOUNDARY
 - - - INTERIOR SPACE DIVISION WITHIN THE HOTEL UNIT (NOT A UNIT BOUNDARY)
 - AREA NOT INCLUDED IN THIS SECOND AMENDMENT TO THE CONDOMINIUM MAP FOR DORAL TELLURIDE RESORT AND SPA



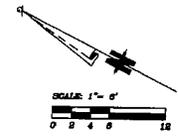
FOURTH FLOOR
Dim. = 8524.80



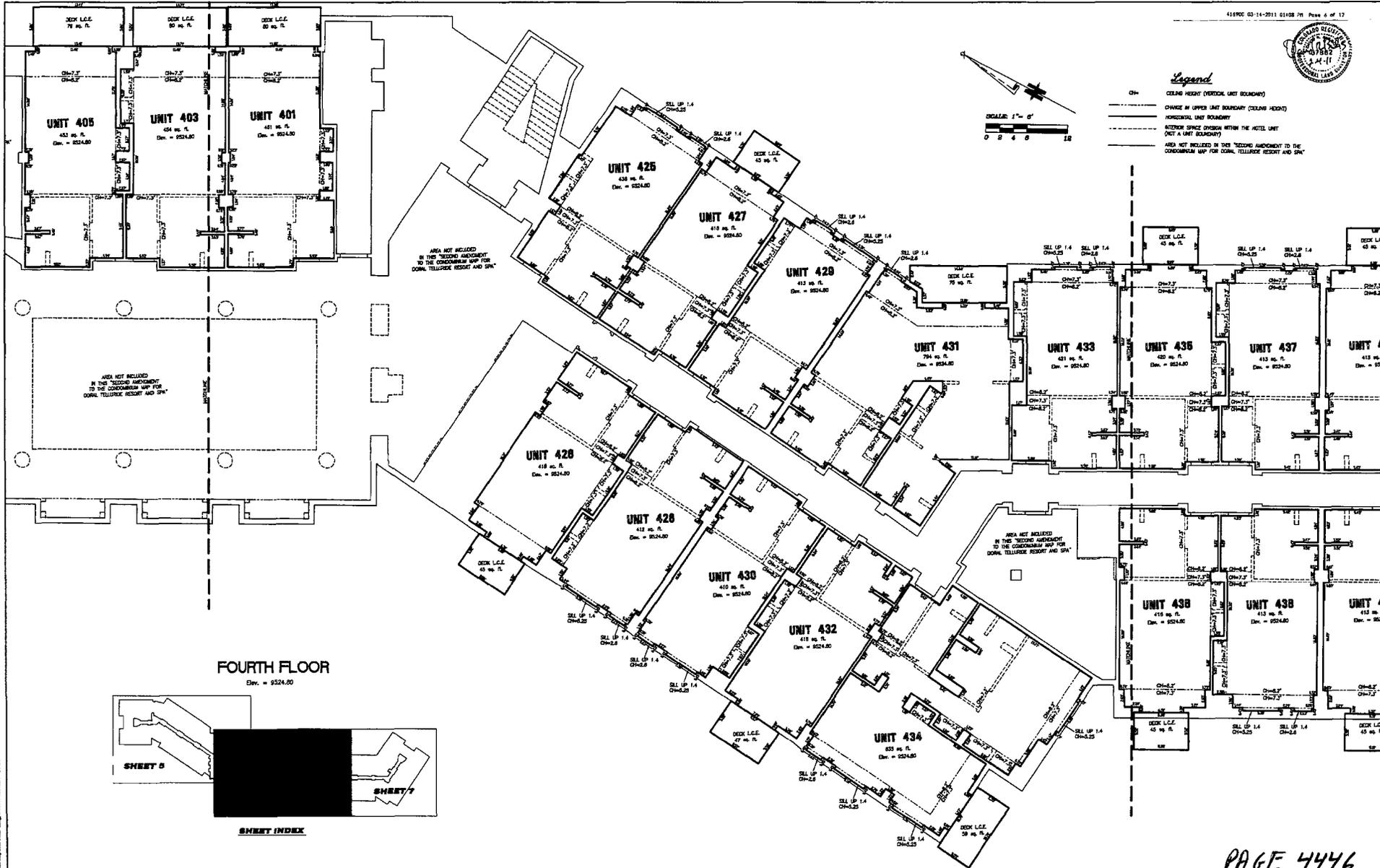
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Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

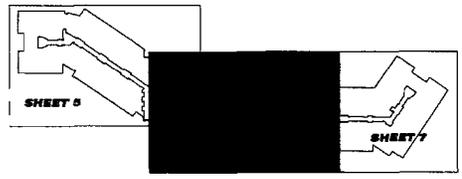
Project No.: 728	Sheet No.: 4445	<p>FOLEY ASSOCIATED, INC. CONSULTING PLANNING ENGINEERS</p>	870-728-6153	870-728-6050 Fax
Designer: JD			P.O. BOX 1385	
Technician:			125 W. PACIFIC, SUITE B-1	
Checked by:			TELLURIDE, COLORADO 81435	
Start date: 12/7/2009		Drawing path:	Sheet 5 of 13	Project #: 02021



- Legend**
- CHANGE IN UPPER UNIT BOUNDARY (CEILING HEIGHT)
 - CHANGE IN LOWER UNIT BOUNDARY (CEILING HEIGHT)
 - HORIZONTAL UNIT BOUNDARY
 - INTERIOR SPACE DIVISION WITHIN THE HOTEL UNIT (NOT A UNIT BOUNDARY)
 - AREA NOT INCLUDED IN THIS SECOND AMENDMENT TO THE CONDOMINIUM MAP FOR DORAL TELLURIDE RESORT AND SPA



FOURTH FLOOR
Dev. = 9524.80



Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

Project No.:	000-0000	Scale:	AS SHOWN
Revision:		Date:	
Checked by:		Drawn by:	
Start date:	12/7/2008	Project #:	0001

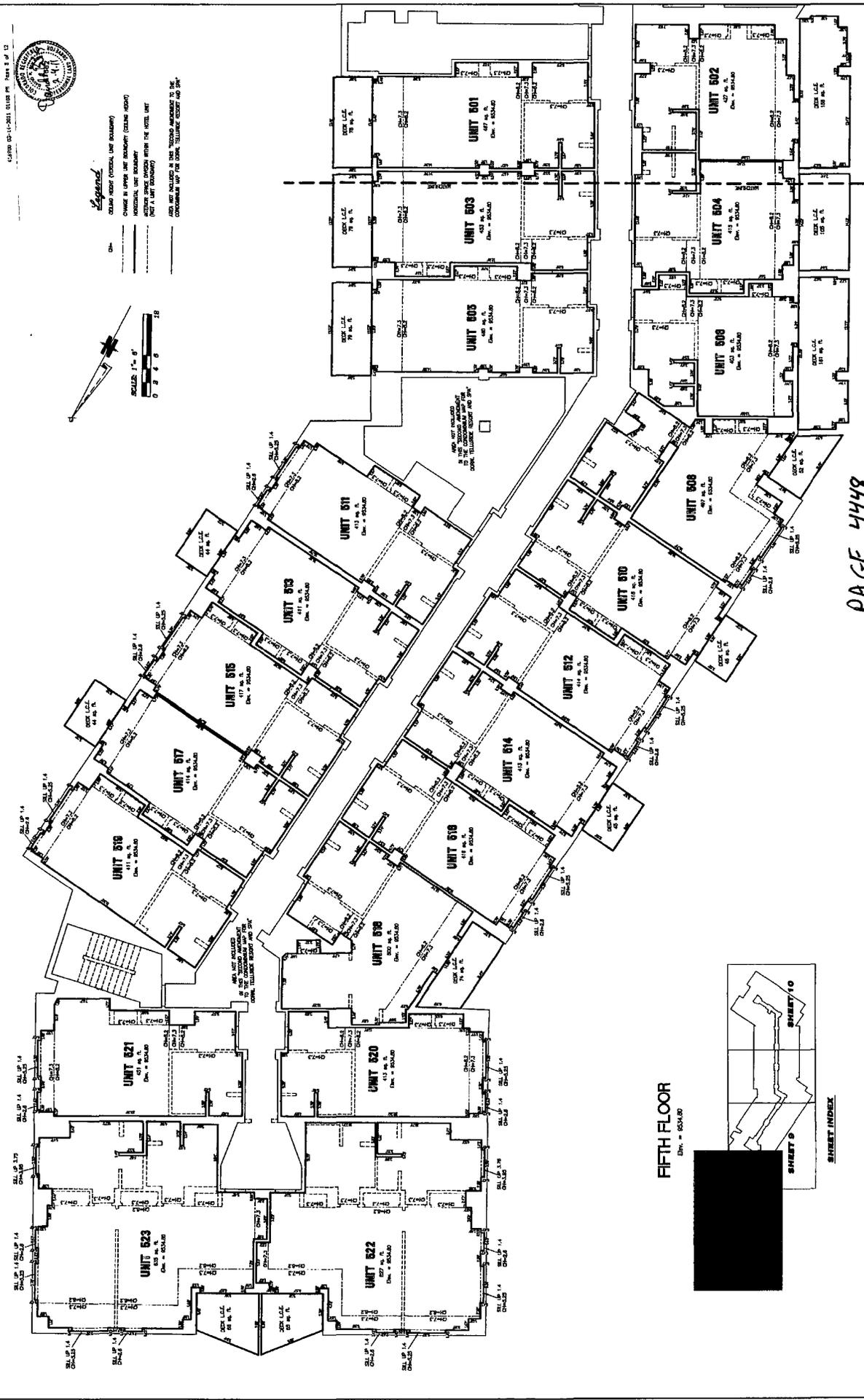
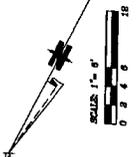
FOLEY ASSOCIATES, INC.
CONSULTING PLANNING ENGINEERS
Drawing path:

PAGE 4446
970-728-8155 970-728-6050 fax
P.O. BOX 1355
125 W. PACIFIC, SUITE B-1
TELLURIDE, COLORADO 81435
Sheets of 12 Project # 0001

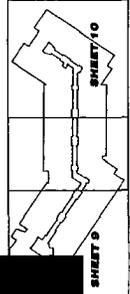


Legend

- CONTOUR LINE (ELEVATION)
- CHANGE IN UPPER UNIT BOUNDARY (CEILING HEIGHT)
- HORIZONTAL UNIT BOUNDARY
- VERTICAL UNIT BOUNDARY
- UNIT BOUNDARY WITH THE HOTEL UNIT
- UNIT BOUNDARY



FIFTH FLOOR
 Dm. = 500.00



SHEET INDEX

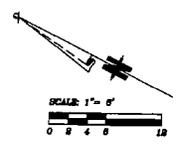
PAGE 4449

Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
 Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

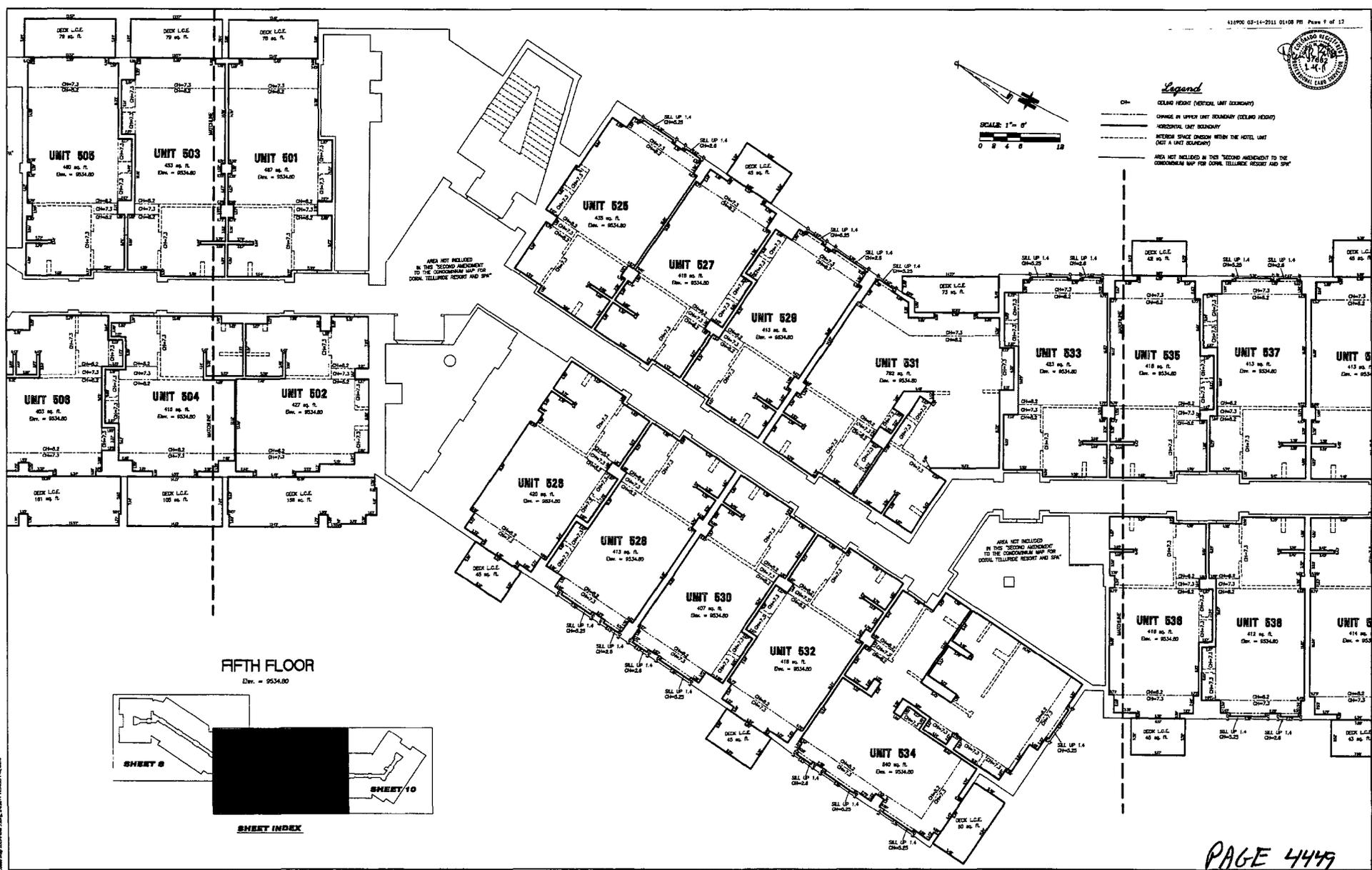
970-728-6158 970-728-6050 Fax
 P.O. BOX 1588 SHELTON, CO
 105 W. WYOMING ST. #1
 TELLURIDE, COLORADO 81435

FOLEY
 ARCHITECTS
 105 W. WYOMING ST. #1
 TELLURIDE, CO 81435
 (970) 728-6158

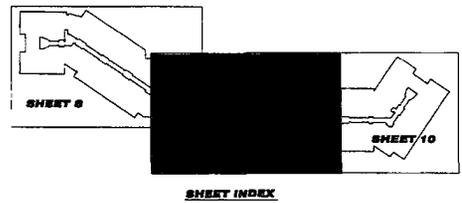
Project No. 08
 Issued: 02/11/2011
 Scale: As Shown
 Date: 02/11/2011



- Legend**
- CH- OCEAN HEIGHT (VERTICAL UNIT BOUNDARY)
 - CHANGE IN UPPER UNIT BOUNDARY (OCEAN HEIGHT)
 - HORIZONTAL UNIT BOUNDARY
 - INTERIOR SPACE (COMMON WHEN THE HOTEL UNIT (NOT A UNIT BOUNDARY))
 - AREA NOT INCLUDED IN THIS SECOND AMENDMENT TO THE CONDOMINIUM MAP FOR DORAL TELLURIDE RESORT AND SPA



FIFTH FLOOR
Div. = 9534.80



PAGE 4449

Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

Project No.	0622001
Contract No.	
Revision	
Checked by	
Date	12/1/2006

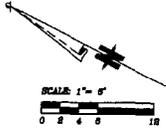
FOLEY ASSOCIATES, INC.
CONSULTING ENGINEERS

970-728-6153 970-728-6050 fax
P.O. BOX 1365
125 W. PACIFIC, SUITE B-1
TELLURIDE, COLORADO 81435
Sheet # of 17 Project # 0221

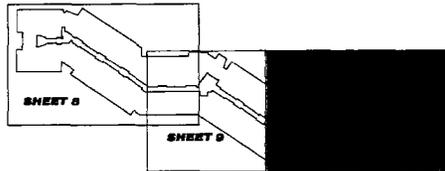


FIFTH FLOOR

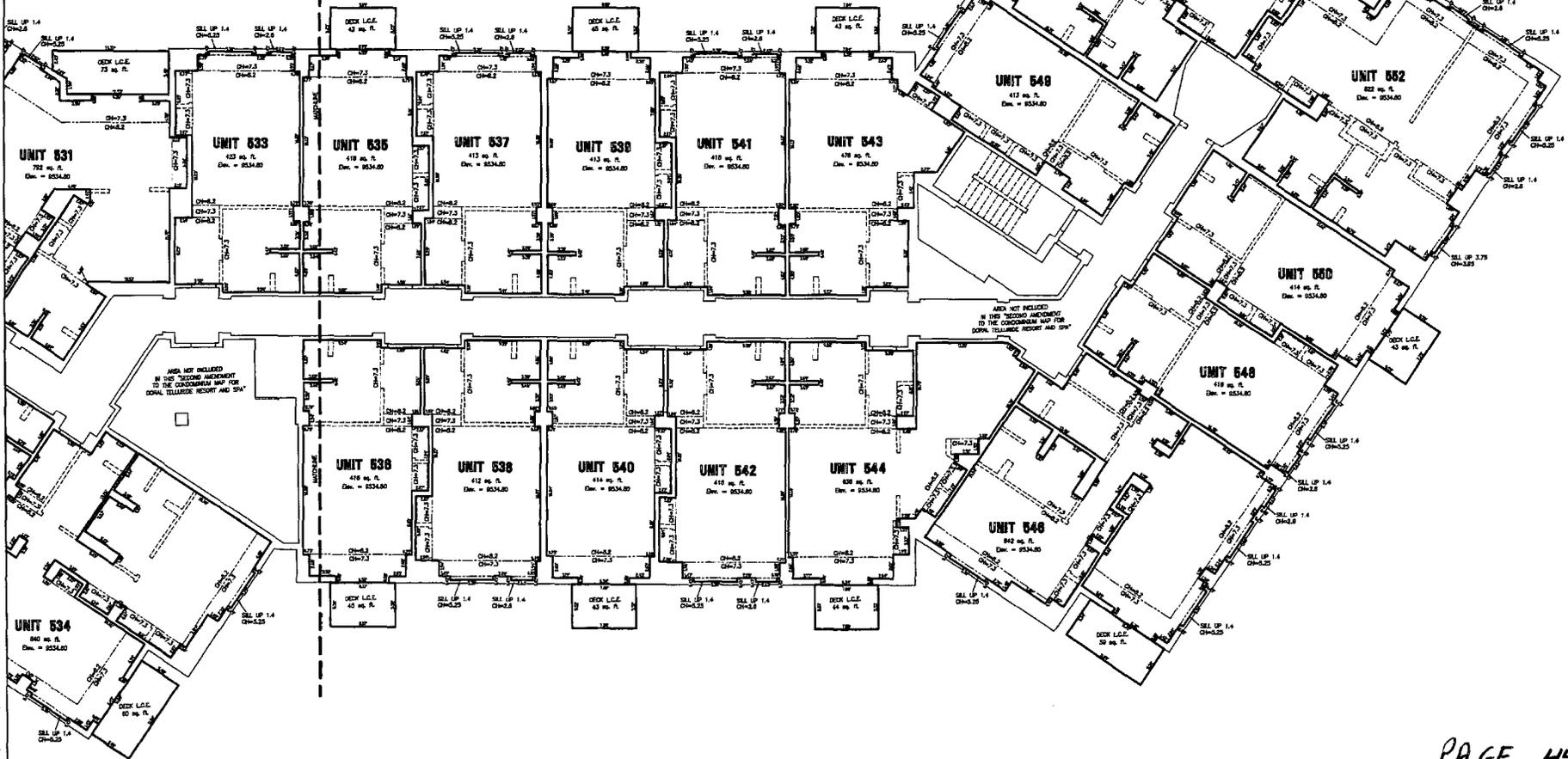
Dev. = 8534.80



- Legend**
- CH-1 --- CEILING HEIGHT (VERTICAL UNIT BOUNDARY)
 - CH-2 --- CHANGE IN UPPER UNIT BOUNDARY (CEILING HEIGHT)
 - CH-3 --- HORIZONTAL UNIT BOUNDARY
 - CH-4 --- INTERIOR SPACE DIVISION WITHIN THE HOTEL UNIT (NOT A UNIT BOUNDARY)
 - CH-5 --- AREA NOT INCLUDED IN THIS SECOND AMENDMENT TO THE CONDOMINIUM MAP FOR DORAL TELLURIDE RESORT AND SPA



SHEET INDEX



AREA NOT INCLUDED IN THIS SECOND AMENDMENT TO THE CONDOMINIUM MAP FOR DORAL TELLURIDE RESORT AND SPA

AREA NOT INCLUDED IN THIS SECOND AMENDMENT TO THE CONDOMINIUM MAP FOR DORAL TELLURIDE RESORT AND SPA

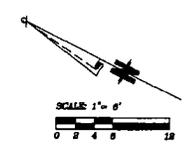
PAGE 4450

Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

Project No.	8534.80
Architect	
Engineer	
Checked by	
Date	11/7/2008

FOLEY ASSOCIATES, INC.
 1225 W. PACIFIC SUITE B-1
 TELLURIDE, COLORADO 81435

970-728-6153 970-728-6050 fax
 P.O. BOX 1385
 125 W. PACIFIC SUITE B-1
 TELLURIDE, COLORADO 81435
 Sheet 10 of 12 Project # 8221

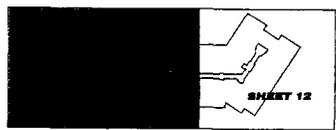


- Legend**
- CHM CEILING HEIGHT (VERTICAL UNIT BOUNDARY)
 - CHANGE IN UPPER UNIT BOUNDARY (CEILING HEIGHT)
 - HORIZONTAL UNIT BOUNDARY
 - - - - - OUTSIDE SPACE DIVISION WITHIN THE HOTEL UNIT (OUT A UNIT BOUNDARY)
 - AREA NOT INCLUDED IN THIS SECOND AMENDMENT TO THE CONDOMINIUM MAP FOR DORAL TELLURIDE RESORT AND SPA

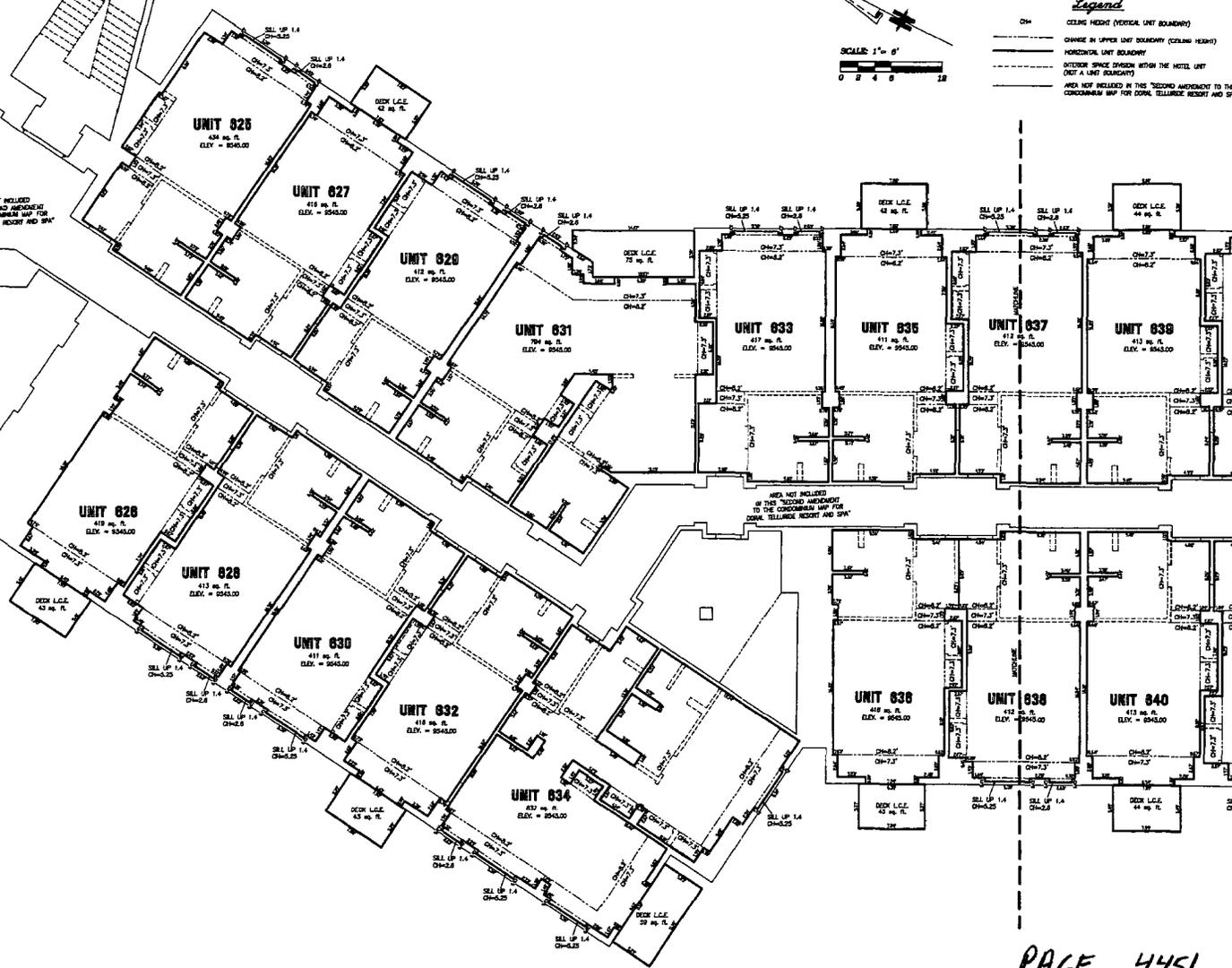
AREA NOT INCLUDED
IN THIS SECOND AMENDMENT
TO THE CONDOMINIUM MAP FOR
DORAL TELLURIDE RESORT AND SPA

AREA NOT INCLUDED
IN THIS SECOND AMENDMENT
TO THE CONDOMINIUM MAP FOR
DORAL TELLURIDE RESORT AND SPA

SIXTH FLOOR
ELEV. = 8543.00



SHEET INDEX



PAGE 4451

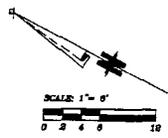
Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

Project No. 01	DATE	REV
Prepared by: FO		
Checked by:		
Drawn by:		
Sheet date: 12/7/2008		



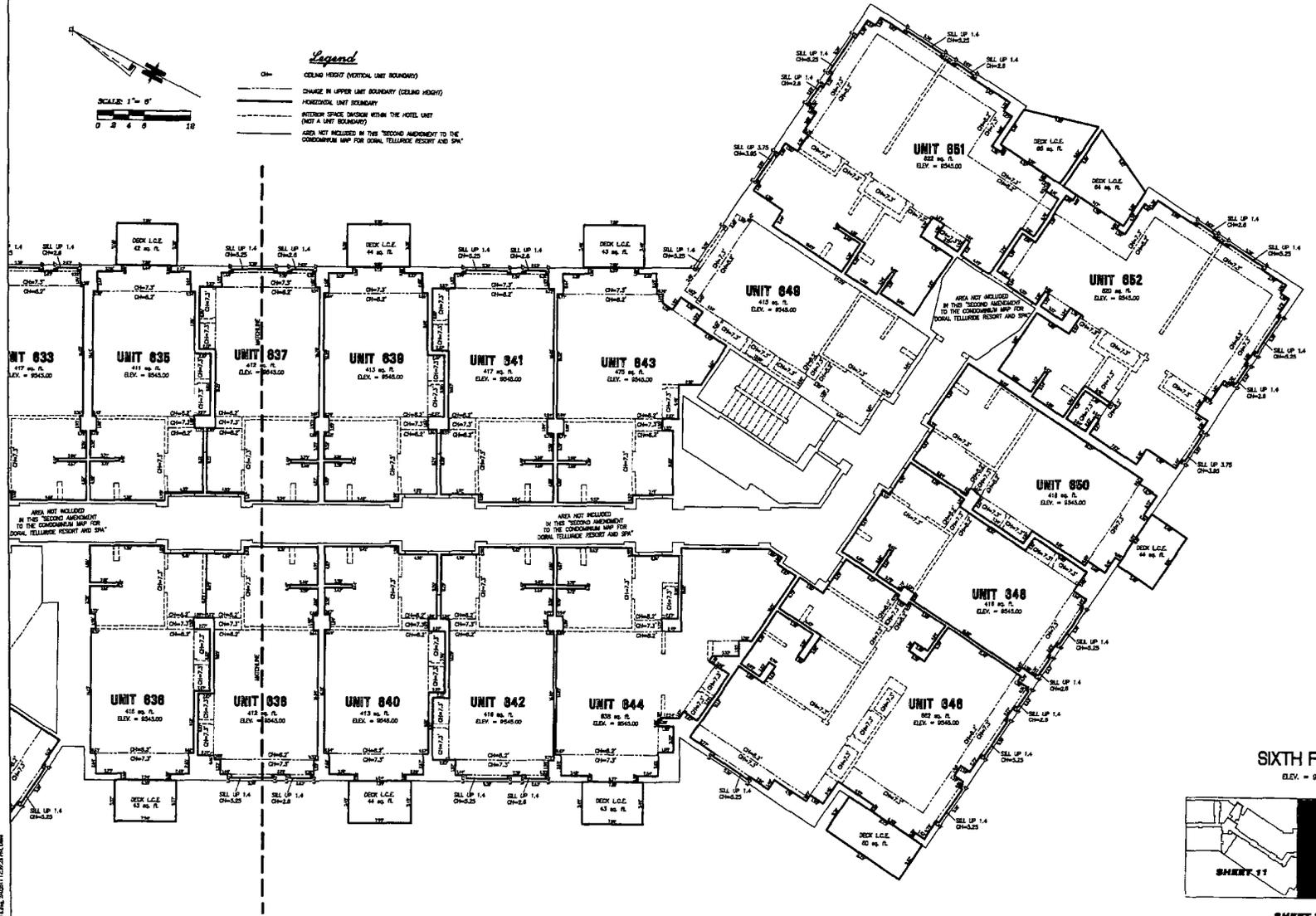
970-728-6153 970-728-6050 fax
P.O. BOX 1866
125 W. PACIFIC, SUITE B-1
TELLURIDE, COLORADO 81435

Sheet 11 of 12 Project #: 02021

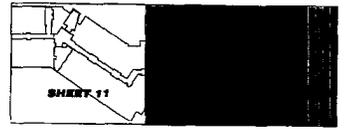


Legend

- Ceiling Height (Vertical Unit Boundary)
- Change in Upper Unit Boundary (Ceiling Height)
- Horizontal Unit Boundary
- - - - - Interior Space Division Within the Hotel Unit (Not a Unit Boundary)
- - - - - Area Not Included in the Second Amendment to the Condominium Map for Doral Telluride Resort and Spa



SIXTH FLOOR
ELEV. = 8543.00



SHEET INDEX

PAGE 4452

Second Amendment to the Condominium Plat for Doral Telluride Resort and Spa
Located on Lot 128, Town of Mountain Village, County of San Miguel, State of Colorado

Project No. 08	DATE	DESCRIPTION	BY
Prepared by PD			
Checked by			
Start Date: 12/1/2008			

FOLEY ASSOCIATES, INC.
Professional Services Division

970-728-8153 970-728-8050 fax
P.O. BOX 13885
125 W. PACIFIC, SUITE B-1
TELLURIDE, COLORADO 81435

Sheet 12 of 12 | Project #: 02201

Exhibit "C"
(Peaks Condo Hotel Units Layouts)

Staff Site Visit June 8, 2015

Exhibit "D"
(Rezone/Density Transfer Covenant)

**DECLARATION OF COVENANTS, RESTRICTIONS AND RESERVATIONS
(Density Transfer, Conveyed Land and New Development)**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND RESERVATIONS ("Declaration") is made as of March 14, 2011 ("Effective Date") by Telluride Resort and Spa L.P., a Delaware limited partnership ("Declarant").

DEFINITIONS

The following definitions ("Definitions"): (a) form a portion of the basis of this Declaration; and (b) are incorporated in this Declaration. As used herein, the following Definitions shall be given the meaning ascribed to the term as the same are stated below.

A. "Association" shall mean The Peaks Owners Association, Inc., a Colorado nonprofit corporation formed in accordance with the Peaks Resort Governing Documents.

B. "Condo Hotel Unit Owner" shall mean each and every Person owning any right, title or interest in a Condo Hotel Unit and their heirs, personal representatives, successors and assigns.

C. "Condo Hotel Units" shall mean a Condo Hotel Unit formed pursuant to the Peaks Resort Governing Documents.

D. "Lot 128" shall mean Lot 128, Telluride Mountain Village, Filing 1 according to the plat recorded March 9, 1984 in plat book 1 at page 476.

E. "Peaks Resort" shall mean the Doral Telluride Resort and Spa, a Condominium formed and existing pursuant to the Peaks Resort Governing Documents.

F. "Peaks Resort Governing Documents" shall mean:

(1) The Declaration of Covenants, Conditions and Restrictions recorded May 29, 1992 in Book 492 at page 938, the First Supplement thereto recorded March 16, 1993 in Book 507 at page 974, the Second Supplement thereto recorded June 11, 1993 in Book 512 at page 337, the Third Supplement thereto recorded June 30, 1994 in Book 531 at page 698, the Fourth Supplement thereto recorded January 20, 1998 at Reception No. 316647, the Fifth Supplement thereto recorded February 3, 2006 at Reception No. 381269, and the First Amendment recorded on March 14, 2011 in Reception No. 416901, as further amended and/or supplemented from time to time (collectively, "Declaration"); and

(2) The Condominium Plat for Doral Telluride Resort and Spa, a Condominium, recorded May 29, 1992 in Plat Book 1 at page 1289, the First Amendment to the Condominium Plat for Doral Telluride Resort and Spa, recorded June 26, 1992 in Plat Book 1 at pages 1315-1334, The First Supplement thereto recorded March 16, 1993 in Plat Book 1 at page 1459, the Second Supplement thereto recorded March 16, 1993 in Plat Book 1 at page 1460, the Third Supplement thereto recorded June 11, 1993 in Plat Book 1 at page 1496, the Fourth Supplement thereto recorded June 30, 1994 in Plat Book 1 at page 1692, the Fifth Supplement thereto recorded December 28, 1994 in Plat Book 1 at page 1791, the Sixth Supplement thereto recorded February 27, 1995 in Plat Book 1 at page 1799, the Seventh Supplement thereto recorded February 6, 1996 in Plat Book 1 at page 1994, the Eighth Supplement thereto recorded September 3, 1996 in Plat Book 1 at page 2104, the Ninth Supplement thereto recorded April 5, 2001 in Plat Book 1 at page 2875, the Tenth Supplement thereto recorded February 23, 2006 in

Plat Book 1 at page 3619, and the Second Amendment recorded on March 14, 2011 in Plat Book 1, Page 444, Reception No. 416900 as further amended and/or supplemented from time to time (collectively, "Map").

(3) The Articles of Incorporation, Bylaws and adopted policies for the Association as amended and/or supplemented from time to time.

G. "Person" shall mean any individual, corporation, partnership (general or limited, with or without limited liability), limited liability company, estate, trust, business trust, association or any other legal entity.

RECITALS

The following recitals ("Recitals"): (a) form a portion of the basis of this Declaration; and (b) are incorporated in this Declaration.

A. Declarant owns each of those Condo Hotel Units located in the Peaks Resort more particularly described on Exhibit "CH-1" attached hereto and incorporated herein by this reference.

B. Declarant desires to establish and create certain covenants and restrictions addressing the Condo Hotel Units, as further described and provided for herein.

COVENANTS/AGREEMENTS

NOW, THEREFORE Declarant, for itself and its designees, assignees, successors-in-title and successors, hereby declares that the Condo Hotel Units shall be held, sold, used and conveyed subject to the following reservations, covenants, restrictions and other understandings as stated herein, which shall run with title to, the Condo Hotel Units subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in the Condo Hotel Units ("Owner") or any part thereof, their heirs, personal representatives, successors, successors-in-title, and assigns, and shall inure to the benefit of Declarant.

1. **Density Transfer.**

1.1. Each of the Condo Hotel Units is currently zoned as a "Hotel Unit" under the Mountain Village Land Use Ordinance.

1.2. Declarant hereby reserves the right to submit, apply for, pursue and secure certain land use applications ("**Density Transfer Application**") with the Town of Mountain Village which would enable Declarant to rezone and transfer density to some or all of the Condo Hotel Unit from "Hotel Units" to "Lodge Units" and/or "Efficiency Lodge Units", as such terms are defined in the Mountain Village Land Use Ordinance from time to time.

1.3. By taking and accepting title to a Condo Hotel Unit, each Condo Hotel Unit Owner with respect to the respective Condo Hotel Unit owned by the Condo Hotel Unit Owner, will be deemed to have acknowledged, consented and agreed to each of the following:

1.3.1. Declarant has reserved the right to submit the Density Transfer Application to the Town, which may include the Condo Hotel Unit.

1.3.2. Declarant is authorized to submit and pursue the approval of the Density Transfer Application, including the Condo Hotel Unit owned by the Condo Hotel Unit Owner as part of the Density Transfer Application.

1.3.3. If the Density Transfer Application is approved by the Town of Mountain Village, the Condo Hotel Unit owned by each respective Condo Hotel Unit Owner: (a) would be rezoned from Hotel to either "Lodge Unit" or "Efficiency Lodge Unit"; and (b) would result in the creation of surplus density for the Condo Hotel ("**Excess Density**") that would be transferred to the Density Bank (as such term is defined in the Mountain Village Land Use Ordinance from time to time).

1.3.4. As drafted as of the Effective Date, substantially each of the uses, activities furnishings, finishes and equipment that are currently allowed to occur in a Condo Hotel Unit zoned as a "Hotel Unit" will also be allowed to occur in a Condo Hotel Unit zoned a "Lodge Unit" and "Efficiency Lodge Unit", except that the Land Use Code may be amended from time to time by the Town of Mountain Village, which could modify some or all of such uses, activities furnishings, finishes and equipment occurring in a Condo Hotel Unit zoned a "Lodge Unit" and "Efficiency Lodge Unit".

1.3.5. Any and all rights, title and interest of each Condo Hotel Unit Owner in and to the Excess Density that may exist following the approval of the Density Transfer Application and that may otherwise be related to or associated with their particular Condo Hotel Unit are hereby reserved by and will be owned by the Declarant or its designees ("**Condo Hotel Density Transfer**") and not the Condo Hotel Unit Owner. The foregoing shall not result in the transfer of any density associated with the Condo Hotel that will be required to accommodate the "Lodge Unit" or "Efficiency Lodge Unit" zoning and density that would be assigned to the Condo Hotel following the approval of the Density Transfer Application.

1.3.6. To the extent required, each Condo Hotel Unit Owner will promptly execute and deliver to Declarant any and all such other and additional documents, if any, that may be required to authorize Declarant to pursue the Density Transfer Application and include the Condo Hotel in the Density Transfer Application and/or to evidence the Condo Hotel Density Transfer, which additional documents may include a covenant, if required by the Town of Mountain Village, that restricts the use of the Condo Hotel to "Lodge Unit" or "Efficiency Lodge Unit" zoning and the configuration of the Condo Hotel to the condition that existed as of closing.

1.4. The foregoing notwithstanding, Declarant is responsible for pursuing all costs and expenses of the Density Transfer Application.

2. **Future Development.**

2.1. By taking and accepting title to a Condo Hotel Unit, each Condo Hotel Unit Owner with respect to the respective Condo Hotel Unit owned by the Condo Hotel Unit Owner, will be deemed to have acknowledged, consented and agreed to each of the following:

2.1.1. Subject to compliance with any applicable provisions of the Peaks Resort Governing Documents and applicable law that may affect any such transaction, Declarant may elect to either: (A) acquire different portions of Lot 128 consisting of common elements ("**Conveyed Land**") which may or may not be removed from the Peaks Resort, or (B) acquire the right ("**Development Rights**") to develop on portions ("**Development Portions**") of Lot 128 without removing the Development Portions from the Peaks Resort. Upon such election, Declarant may also

elect to develop a mixed use project consisting of residential, accommodation, commercial and conference center uses ("**New Development Project**").

2.1.2. The terms and conditions of a sale of the Conveyed Land or Development Rights from the Association will be based upon a fair market value of the Conveyed Land or Development Rights as determined by an independent appraiser.

2.1.3. The New Development Project on the Conveyed Land and the Development Rights will be owned and developed by Declarant or its designee, not the Association or any of the Condo Hotel Unit Owner. If the Conveyed Land or Development Rights are sold to Declarant or other third party, Buyer will have no interest in New Development Project or the Conveyed Land or Development Rights.

2.1.4. The New Development Project on the Conveyed Land or the exercise of the Development Rights may be the subject of certain land use applications submitted to the Town of Mountain Village ("**New Development Project Town Application**"). Each Condo Hotel Unit Owner authorizes and consents to Declarant submitting, pursuing and implementing the approval of the New Development Project Application.

2.1.5. In the event Declarant or designee elects to pursue development of the New Development Project on the Conveyed Land and/or the exercise of the Development Rights, the New Development Project may or may not be: (a) connected to the existing Peaks building, (b) annexed into the Peaks condominium, (c) removed from the Peaks, and/or (d) share amenities and facilities with the Peaks, which actions may or may not involve approval processes with Association for items such as, without limitation, the following: (i) to transfer the Conveyed Land and/or Development Rights for the New Development Project to Seller or designee, (ii) to modify and amend terms and conditions of the Peaks Resort Governing Documents, and (iii) similar actions necessary and appropriate to implement the New Development Project ("**New Development Project Condominium Application**"). Each Condo Hotel Unit Owner authorizes and consents to Declarant submitting, pursuing and implementing the approval of the New Development Project Condominium Application and authorizes and directs Declarant and/or Association, if required, to modify and amend the Peaks Resort Governing Documents on behalf of the Condo Hotel Unit Owner to further implement the New Development Project Condominium Application and/or the New Development Project Town Application.

2.2. The foregoing notwithstanding, Declarant is responsible for pursuing all costs and expenses of the New Development Project Condominium Application, the New Development Project Town Application and the New Development Project.

3. **Declarant As Attorney-In-Fact.** By taking and accepting title to a Condo Hotel Unit, each Condo Hotel Unit Owner with respect to the respective Condo Hotel Unit owned by the Condo Hotel Unit Owner, will be deemed to have irrevocably appoints the Declarant as the Condo Hotel Unit Owner's true and lawful attorney-in-fact for the following purposes and the Declarant shall have full authorization, right and power to make, execute and deliver any application, contract, assignment, deed, document, amendment to Peaks Resort Governing Documents, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted herein to the Declarant as attorney-in-fact:

3.1. File the Rezoning Application, Density Transfer Application, the New Development Project Condominium Application, the New Development Project Town Application and all related documents.

3.2. Accept or agree to any approvals of the Rezoning Application, Density Transfer Application, the New Development Project Condominium Application, the New Development Project Town Application and all related documents.

3.3. Execute any and all such further documents, if any, required by Declarant or governmental entity necessary to transfer the Excess Density to the Density Bank.

3.4. Execute all deeds, bills of sale and all related documents, if any, required by Declarant or governmental entity necessary to transfer all rights, claims, title and interest in and to the Excess Density to the Declarant.

3.5. Execute a covenant that restricts the use of the Condo Hotel to the same Allowed Uses and configurations of the Condo Hotel existing at the time of the Rezoning Application, Density Transfer Application, the New Development Project Condominium Application, the New Development Project Town Application and all related documents, as applicable.

3.6. Execute all documents required by Declarant the sale or transfer of the Conveyed Land or Development Rights and/or to facilitate the development of the New Development Project if it is not de-annexed from the Peaks Resort.

3.7. Execute all documents required by Declarant or governmental entity necessary to accomplish the design, construction and development of the New Development Project Condominium Application and the New Development Project Town Application.

3.8. Execute all documents, including amendments to the Peaks Resort Governing Documents, required by Declarant or Association necessary to accomplish the design, construction and development of the New Development Project Condominium Application and the New Development Project Town Application.

4. **Miscellaneous.**

4.1. **Heirs, Successors and Assigns.** The reservations, covenants and restrictions and the rights, duties and obligations stated and declared herein shall be binding upon and shall inure to the benefit of and shall be a burden upon the their heirs, personal representatives, successors, successors-in-title, and assigns of the Declarant and each Condo Hotel Unit Owner. Declarant may assign some or all of its rights and interests under this Covenant to any other person or party without the requirement to obtain the consent of any Condo Hotel Unit Owner.

4.2. **Run With The Land.** The covenants and restrictions and the rights, duties and obligations stated and declared herein shall run with and be a burden upon each Condo Hotel Unit.

4.3. **Recordation.** This Declaration is intended to be recorded by the Declarant in the Official Records of San Miguel County, Colorado.

4.4. **Term of Document.** Unless amended as herein provided, if any provisions contained in this document are or become subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation (as the same may be modified after the date hereof), then such provisions shall continue and remain in full force and effect for a period of twenty-one (21) years following the death of the survivor of Edward D. Herrick, Jr. and John

J. Horn and the now living children of said persons or until this document is terminated as hereinafter provided, whichever first occurs. Subject to the preceding sentence, unless amended or terminated as herein provided, all provisions contained in this document shall be effective in perpetuity.

4.5. **Amendment and Termination.** Any or all provisions contained in this document may be terminated or amended only upon approval of Declarant. The consent or approval of no other Person shall be required for any such amendment or termination.

4.6. **No Implied Waivers.** Failure to enforce any restriction or other provision of this document shall not operate as a waiver of that restriction or provision or of any other restriction or provision contained in this document.

4.7. **Performances.** Time is of the essence with respect to the performance of the duties and obligations provided herein.

4.8. **Governing Law, Remedies, Costs and Expenses.** This Declaration shall be construed under and governed by the laws of Colorado, with jurisdiction and venue restricted to a court of competent jurisdiction in San Miguel County, Colorado. Declarant and each Condo Hotel Unit Owner may pursue any and all available remedies under applicable law, including, without limitation, injunctive relief and specific performance. All of the rights and remedies of the Declarant and each Condo Hotel Unit Owner under this Declaration shall be cumulative. In any action to enforce or construe the terms of this Declaration, the substantially prevailing party shall recover all legal and related court costs, including all reasonable attorneys' fees and expert witness fees, costs and expenses.

4.9. **Severability.** Wherever possible, each provision of this Declaration shall be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Declaration shall be found invalid or unenforceable, this shall not affect the validity of the remaining provisions of this Declaration, and the remaining provisions shall remain in full force and effect.

4.10. **Integration.** This Declaration and any documents required or permitted to be executed consistent with this Declaration contains the entire agreement and understanding of the Parties with respect to the subject matter hereof, and no other representations, promises, agreements or understandings or obligations with respect to the payment of consideration or agreements to undertake other actions regarding the subject matter hereof shall be of any force or effect unless in writing, executed by all Parties hereto and dated after the date hereof.

4.11. **Liberal Interpretation.** The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

4.12. **Number and Gender.** Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

4.13. **Captions and Headings.** The titles, headings and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing this Declaration or any provision thereof.

4.14. **Exhibits Incorporated.** All exhibits to this document are incorporated herein and made a part hereof as if fully set forth herein.

4.15. **CIOA Not Applicable.** Nothing herein contained is intended to nor shall in any way express any intent to subject the Condominium to the Colorado Common Interest Ownership Act. Any similarities between the Covenant and any condominium declaration or other type of declaration that is or may be subject to the Colorado Common Interest Ownership Act are coincidental and shall not be deemed to create any interpretation that the Condominium Declaration is intended to be, or is, subject to the Colorado Common Interest Ownership Act.

4.16. **Unintended Impacts.** This Covenant is not intended to burden or otherwise affect any Penthouse Unit, Commercial Unit or the Clubhouse Unit in the Peaks Resort and other than the Condo Hotel Units. Nothing herein shall be deemed to have modified or amended any rights, duties, obligations or other interests of the owner of any Penthouse Unit, Commercial Unit or the Clubhouse Unit as established in the Peaks Resort Governing Documents and, if such a result has occurred, the provisions of this Covenant only as they relate to the Penthouse Unit, Commercial Unit or the Clubhouse Unit, is severed from this Amendment, and shall otherwise remain in full force and effect for all other Condo Hotel Units.

4.17. **Industry Standards and Norms.** Customary industry practices, standards and norms shall be relied upon if and when necessary for purposes of interpreting, applying and enforcing the terms and conditions established in this Covenant.

4.18. **No Further Rights; No Third Party Rights.** This Covenant is intended to affect, benefit or burden only those particular Persons specifically intended to be benefited or burdened by this Covenant. Except as expressly set forth herein, nothing contained herein shall be construed as creating any rights or interests, including enforcement rights, in any third persons or parties, specifically including, without limitation, the Association and/or the Owner of any Penthouse Unit, Commercial Unit or the Clubhouse Unit.

Exhibit CH-1**(Legal Description of Condo Hotel Units)**

Condo-Hotel Units: Units 201, 203, 205, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 301, 303, 305, 308, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 346, 348, 349, 350, 351, 352, 401, 403, 405, 408, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 446, 448, 449, 450, 451, 452, 501, 502, 503, 504, 505, 506, 508, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 546, 548, 549, 550, 551, 552, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 646, 648, 649, 650, 651 and 652, Doral Telluride Resort and Spa, a Condominium, Town of Mountain Village, San Miguel County, Colorado, pursuant to the Declaration of Covenants, Conditions and Restrictions recorded May 29, 1992 in Book 492 at page 938, the First Supplement thereto recorded March 16, 1993 in Book 507 at page 974, the Second Supplement thereto recorded June 11, 1993 in Book 512 at page 337, the Third Supplement thereto recorded June 30, 1994 in Book 531 at page 698, the Fourth Supplement thereto recorded January 20, 1998 at Reception No. 316647, the Fifth Supplement thereto recorded February 3, 2006 at Reception No. 381269, and the First Amendment recorded on March 14, 2011 in Reception No. 416901, as further amended and/or supplemented from time to time (collectively, "**Declaration**"); and The Condominium Plat for Doral Telluride Resort and Spa, a Condominium, recorded May 29, 1992 in Plat Book 1 at page 1289, the First Amendment to the Condominium Plat for Doral Telluride Resort and Spa, recorded June 26, 1992 in Plat Book 1 at pages 1315-1334, The First Supplement thereto recorded March 16, 1993 in Plat Book 1 at page 1459, the Second Supplement thereto recorded March 16, 1993 in Plat Book 1 at page 1460, the Third Supplement thereto recorded June 11, 1993 in Plat Book 1 at page 1496, the Fourth Supplement thereto recorded June 30, 1994 in Plat Book 1 at page 1692, the Fifth Supplement thereto recorded December 28, 1994 in Plat Book 1 at page 1791, the Sixth Supplement thereto recorded February 27, 1995 in Plat Book 1 at page 1799, the Seventh Supplement thereto recorded February 6, 1996 in Plat Book 1 at page 1994, the Eighth Supplement thereto recorded September 3, 1996 in Plat Book 1 at page 2104, the Ninth Supplement thereto recorded April 5, 2001 in Plat Book 1 at page 2875, the Tenth Supplement thereto recorded February 23, 2006 in Plat Book 1 at page 3619, and the Second Amendment recorded on March 14, 2011 in Plat Book 1, Page 444, Reception No. 416900 as further amended and/or supplemented from time to time (collectively, "**Map**").

Exhibit "E"
(Owner Acknowledgment of Rezone/Density Transfer Covenant)

Exhibit "F"
(Condominium Hotel Operations Declarations)

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CONDOMINIUM-HOTEL OPERATIONS OF THE PEAKS RESORT**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CONDOMINIUM-HOTEL OPERATIONS OF THE PEAKS RESORT (“Declaration”) dated March 14, 2011, shall be effective upon recordation and is made by Telluride Resort and Spa L.P., a Delaware limited partnership (“Declarant”). Declarant owns certain real property in San Miguel County, Colorado, more particularly described on Exhibit “CH-1” attached hereto and incorporated herein by this reference (the “Subject Units”). Declarant hereby makes the following grants, submissions, and declarations:

ARTICLE 1
IMPOSITION OF COVENANTS

1.1. **Purpose.**

1.1.1. The “Doral Telluride Resort and Spa”, Telluride, Colorado (the “Condominium”) is an existing condominium regime created pursuant to that certain the Declaration of Covenants, Conditions and Restrictions recorded May 29, 1992 in Book 492 at page 938, the First Supplement thereto recorded March 16, 1993 in Book 507 at page 974, the Second Supplement thereto recorded June 11, 1993 in Book 512 at page 337, the Third Supplement thereto recorded June 30, 1994 in Book 531 at page 698, the Fourth Supplement thereto recorded January 20, 1998 at Reception No. 316647, the Fifth Supplement thereto recorded February 3, 2006 at Reception No. 381269, and the First Amendment recorded on March 14, 2011 in Reception No. 416901, as further amended and/or supplemented from time to time (the “Condominium Declaration”) and The Condominium Plat for Doral Telluride Resort and Spa, a Condominium, recorded May 29, 1992 in Plat Book 1 at page 1289, the First Amendment to the Condominium Plat for Doral Telluride Resort and Spa, recorded June 26, 1992 in Plat Book 1 at pages 1315-1334, The First Supplement thereto recorded March 16, 1993 in Plat Book 1 at page 1459, the Second Supplement thereto recorded March 16, 1993 in Plat Book 1 at page 1460, the Third Supplement thereto recorded June 11, 1993 in Plat Book 1 at page 1496, the Fourth Supplement thereto recorded June 30, 1994 in Plat Book 1 at page 1692, the Fifth Supplement thereto recorded December 28, 1994 in Plat Book 1 at page 1791, the Sixth Supplement thereto recorded February 27, 1995 in Plat Book 1 at page 1799, the Seventh Supplement thereto recorded February 6, 1996 in Plat Book 1 at page 1994, the Eighth Supplement thereto recorded September 3, 1996 in Plat Book 1 at page 2104, the Ninth Supplement thereto recorded April 5, 2001 in Plat Book 1 at page 2875, the Tenth Supplement thereto recorded February 23, 2006 in Plat Book 1 at page 3619, and the Second Amendment recorded on March 14, 2011 in Plat Book 1, Page _____, Reception No. 416900 as further amended and/or supplemented from time to time (collectively, the “Condominium Map”). The Condominium Declaration and Condominium Map are collectively referred to as the “Condominium Governing Documents”.

1.1.2. The Condominium was subjected to the Colorado Condominium Ownership Act, Article 33, Title 38, Colorado Revised Statutes, on May 29, 1992. As all real estate taxes (to the extent applicable), insurance premiums, maintenance and improvement expenses for the Condominium are allocated, shared, assessed and paid pursuant to and under the Condominium Declaration, this Declaration shall not provide for the allocation, sharing, assessment or payment of such property-related expenses of the Condominium. Consequently, this Declaration shall not subject the Condominium Hotel Operation to the Colorado Common Interest Ownership Act, Article 33.3, Title 38, Colorado Revised Statutes, as amended and supplemented from time to time (the “Act”).

1.2. **Purpose; Intention of Declarant.**

1.2.1. The purpose of this Declaration is to establish certain covenants, conditions and restrictions associated with the creation, operation and management of certain hotel operations (the “Condominium Hotel Operation” or “Hotel Operation”) within portions of the Condominium (the “Condominium Hotel” or “Hotel”). Among other things, this Declaration shall provide for the allocation, sharing, assessment and payment of Condominium Hotel operating expenses in connection with the Condominium Hotel Operation.

1.2.2. Declarant desires to protect the value and desirability of the guest rooms within the Hotel (each, a “Condo-Hotel Unit”, and collectively, the “Condo-Hotel Units”) and each of the “Commercial Units”, as the same are further established and defined in the Condominium Governing Documents, and to establish a harmonious and effective plan for the Condominium Hotel Operation concerning the Condo-Hotel Units and

the Commercial Units within the Condominium and for the sharing of costs and certain other covenants and obligations related thereto.

1.2.3. This Declaration shall only affect those Condo-Hotel Units and Commercial Units set forth on Exhibit CH-1 hereto, as the same may be amended from time to time in accordance with Articles 13 and 16 below. The Condo-Hotel Units are further depicted and described on the Condominium Map, including the Second Amendment to the Condominium Map.

1.2.4. Nothing herein shall authorize or obligate the Association to own, manage, administer, repair or maintain any Common Elements or other real property.

1.3. **Declaration and Imposition of Covenants, Conditions, Restrictions and Easements.** To accomplish the purposes and intentions recited above, Declarant hereby imposes upon all of the Subject Units the covenants, conditions, restrictions, easements, reservations, and other provisions of this Declaration, and Declarant hereby declares that all of the Subject Units shall be held, sold, conveyed, encumbered, leased, rented, occupied, and improved, subject to the provisions of this Declaration.

1.4. **Condominium Declaration.** The Condominium Hotel Operations and this Declaration are subject and subordinate in all ways to the terms and conditions of the Condominium Declaration. In the event of any conflict with the terms of this Declaration and the terms of the Condominium Declaration, the terms of the Condominium Declaration shall govern and control, except that any more restrictive covenants contained in this Declaration shall control.

1.5. **Covenants Running With the Land.** All provisions of this Declaration shall be deemed to be covenants running with title to each Condo-Hotel Unit and Commercial Unit. The benefits, burdens, and other provisions contained in this Declaration shall be binding upon and shall inure to the benefit of Declarant, all Condo-Hotel Unit Owners and Commercial Unit Owners within the Subject Units, and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

1.6. **Not Establishing New Condominium Regime.** Notwithstanding anything to the contrary contained herein, nothing set forth in this Declaration shall be deemed to create a new condominium regime within the Condominium. All Condo-Hotel Units being sold subject to this Declaration were created and established as condominium units pursuant to the Condominium Declaration and Condominium Map and not this Declaration.

1.7. **Excluded Units.** The Penthouse Units and the Clubhouse Unit, as defined in the Condominium Governing Documents are expressly excluded from the Condominium Hotel Operations Governing Documents and no terms and conditions of the Condominium Hotel Operations Governing Documents shall apply to, have any effect upon or otherwise benefit or burden the Penthouse Units and the Clubhouse Unit, nor shall they be a part of the Condominium Hotel Operation regime established by this Declaration.

ARTICLE 2 **DEFINITIONS**

Capitalized terms used in this Declaration and not defined elsewhere in this Declaration have the meanings given those terms in Article 2. The following words, when used in this Declaration, shall have the meanings designated below unless the context expressly requires otherwise:

2.1. “Act” means the Colorado Common Interest Ownership Act, Article 33.3, Title 38, Colorado Revised Statutes, as amended and supplemented from time to time. In the event the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable to this Declaration.

2.2. “Allocated Interests” means the allocated share of the voting rights and interests as well as the Allocated Share of Condominium Hotel Operations Expenses allocated to each of the Condo-Hotel Units as set forth on Exhibit CH-2 and each of the Commercial Units as set forth on Exhibit CH-3, with the combined Allocated Share of the Condo-Hotel Units and the Commercial Units being as set forth on Exhibit CH-4. The formulas used to establish the Allocated Interests are described in Article 3.

2.3. **“Articles of Incorporation”** means the Articles of Incorporation of The Condominium Hotel Association of the Peaks, Inc., a Colorado nonprofit corporation filed with the Colorado Secretary of State.

2.4. **“Assessments”** means the annual, special and default assessments levied pursuant to this Declaration.

2.5. **“Association”** means The Condominium Hotel Association of The Peaks, Inc., a Colorado nonprofit corporation, and its successors and assigns.

2.6. **“Board of Directors”** or **“Executive Board”** means the governing body of the Association, as provided in this Declaration and in the Articles of Incorporation and Bylaws of the Association.

2.7. **“Bylaws”** means any instruments, however denominated, which are adopted by the Association for the regulation and management of the Association, including the amendments thereto.

2.8. **“Commercial Unit”** means the term as defined in Section 1.2 hereof. The Commercial Units are identified on Exhibit CH-1 hereto.

2.9. **“Commercial Unit Owner”** means an Owner of a Commercial Unit.

2.10. **“Common Element”** means any “Common Element”, as such term is defined in the Condominium Declaration.

2.11. **“Condominium Hotel Operations Organization”** means the Condo-Hotel Units and Commercial Units, together with all Improvements and other amenities now or hereafter located thereon, and together with all rights, appurtenances and privileges belonging or in any way pertaining thereto

2.12. **“Condominium”** means the term as defined in Section 1.1 hereof.

2.13. **“Condominium Association”** means The Peaks Owners Association Inc., a Colorado nonprofit corporation.

2.14. **“Condominium Declaration”** means the term as defined in Section 1.1 hereof.

2.15. **“Condo-Hotel Unit”** means the term as defined in Section 1.2 hereof. The Condo-Hotel Units are identified on Exhibit CH-1 hereto.

2.16. **“Condo-Hotel Unit Owner”** means the Declarant or any other person who owns record title to a Condo-Hotel Unit (including a contract seller, but excluding a contract purchaser) but excluding any person having a Security Interest in a Unit unless such person has acquired record title to the Unit pursuant to foreclosure or any proceedings in lieu of foreclosure.

2.17. **“Condominium Hotel Operations Governing Documents”** means the basic documents creating and governing the Hotel Operation, including, but not limited to, this Declaration, the Articles of Incorporation and Bylaws of the Association, and any procedures, Rules and Regulations, or policies relating to the Condominium Hotel Operation adopted under such documents by the Association or the Board of Directors.

2.18. **“Condominium Hotel Operations Expenses”** means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves, including, without limiting the generality of the foregoing, the following items:

- (a) expenses incurred in connection with the provision of the Resort Promotional Services;
- (b) expenses declared Condominium Hotel Operations Expenses by the provisions of this Declaration or the Bylaws;
- (c) all sums lawfully assessed against the Condo-Hotel Units by the Board of Directors;

- (d) expenses agreed upon as Condominium Hotel Operations Expenses by the Members of the Association;
- (e) expenses to be paid pursuant to the Hotel Management Agreement; and
- (f) expenses provided to be paid pursuant to any other Management Agreement in connection with the operation of the Hotel.

The term “**Condominium Hotel Operations Expenses**” does not include any expenses incurred for real estate taxes, insurance, maintenance or improvement of any real estate.

2.19. “**Costs of Enforcement**” means all monetary fees, fines, late charges, interest, expenses, costs, including receiver’s and appraiser’s fees, and reasonable attorneys’ fees and disbursements, including legal assistants’ fees, incurred by the Association in connection with the collection of Assessments or in connection with the enforcement of the terms, conditions and obligations of the Condominium Hotel Operations Governing Documents.

2.20. “**Declarant**” means Telluride Resort and Spa L.P., a Delaware limited partnership, its successors and assigns.

2.21. “**Declaration**” means this Declaration, together with any supplement or amendment to this Declaration, and any other recorded instrument however denominated which exercises a Development Right, executed by Declarant and recorded in the Records. The term Declaration includes all supplements to this Declaration without specific reference hereto.

2.22. “**Expansion Rights**” means the rights set forth in Article 13 of this Declaration.

2.23. “**Eligible First Mortgagee**” means a First Mortgagee which has notified the Association in writing of its name and address and status as a First Mortgagee and has requested that it receive notices provided for in Article 15 entitled “Mortgagee Protections”.

2.24. “**FF&E**” means the term as defined in Section 8.1 hereof.

2.25. “**First Mortgagee**” means a holder of a Security Interest in a Condo-Hotel Unit which has priority over all other Security Interests in the Condo-Hotel Unit.

2.26. “**Majority of Owners**” means a majority (or any greater percentage that may be specifically required for a particular action or authorization by the terms of this Declaration) of the total voting power of the Members of the Association.

2.27. “**Management Agreement**” means any contract or arrangement entered into for purposes of discharging the responsibilities of the Board of Directors relative to the operation and management of the Hotel Operation.

2.28. “**Managing Agent**” means a person, firm, corporation, or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Hotel Operations.

2.29. “**Occupant**” means any transient guest or a Condo-Hotel Unit Owner’s invitees, servants, tenants, employees, or licensees who occupy a Condo-Hotel Unit for any period of time.

2.30. “**Person**” means an individual, association, partnership, limited liability company, corporation, trust, governmental agency, political subdivision, or any combination thereof.

2.31. “**Subject Units**” means the Condo-Hotel Units and Commercial Units described in the attached **Exhibit CH-1** and which is subject to this Declaration.

2.32. **“Records”** means the Office of the Clerk and Recorder for San Miguel County, Colorado.

2.33. **“Rules and Regulations”** means the rules and regulations promulgated by the Board of Directors for the management, preservation, safety, control, and orderly operation of the Hotel in order to effectuate the intent and to enforce the obligations set forth in the Condominium Hotel Operations Governing Documents, as amended and supplemented from time to time.

2.34. **“Security Interest”** means an interest in any Condo-Hotel Unit or Commercial Unit or personal property created by contract or conveyance which secures payment or performance of an obligation. The terms includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation. The holder of a Security Interest includes any insurer or guarantor of a Security Interest.

2.35. **“Share of Condominium Hotel Operations Expenses”** means the liability for Condominium Hotel Operations Expenses allocated to each Condo-Hotel Unit pursuant to this Declaration in accordance with the Allocated Interests assigned to the Condo-Hotel Unit as reflected in attached **Exhibit CH-2**. No Share of Condominium Hotel Operations Expenses shall be allocated to the Commercial Units unless the Board determines that the Association has actually incurred costs and expenses attributable to the Commercial Units and upon such determination, the Board shall allocate a fair Share of Condominium Hotel Operations Expenses to the particular Commercial Unit or Commercial Units actually generating such costs and expenses.

2.36. **“Special Declarant Rights”** means those rights reserved by Declarant in Articles 12 and 13 of this Declaration.

2.37. **“Unit”** or **“Condominium Unit”** means a condominium unit established pursuant to the Condominium Declaration. For purposes of this Declaration the term “Unit” or “Condominium Unit” includes references to (a) a Condo-Hotel Unit, and (b) a Penthouse Unit.

2.38. **“Unit Services”** means the Internal Unit Services and the Building Services as provided for in the Condominium Declaration.

2.39. **“Unit Transient Usage Program”** means a voluntary Unit Transient Usage Program operated by the Managing Agent providing for the short-term rental of those Condo-Hotel Units placed in the Unit Transient Usage Program by the Condo-Hotel Unit Owner or Declarant and such other Condo-Hotel Units contributed by Declarant through any leaseback agreements concerning Condo-Hotel Units conveyed to third parties.

ARTICLE 3 **ALLOCATED INTERESTS**

3.1. **Allocated Interest**. The Allocated Interests assigned to each Condo-Hotel Unit and Commercial Unit is set forth on **Exhibit CH-4**. These Allocated Interests have been allocated in accordance with the formulas set out in Section 3.2 below. These formulas are to be used in reallocating interests if Condo-Hotel Units are added to the Hotel Operation.

3.2. **Formulas for the Allocated Share**. The Allocated Interests shall be allocated to each Condo-Hotel Unit and Commercial Unit (as it may be expanded from time to time in accordance with Article 13), based upon the square footage of each Condo-Hotel Unit and Commercial Unit as compared to the total square footage of all Condo-Hotel Units and Commercial Units.

3.3. **Total Allocated Share**. The total of all Allocated Interest shall be deemed to equal to one hundred percent (100%) for purposes of this Declaration.

3.4. **Effective Date of Reallocation**. The effective date for reallocating Allocated Interests to Condo-Hotel Units and/or Commercial Units as a result of the exercise of Development Rights set forth in Article 13 of this Declaration shall be the date on which the amendment required by Section 13.2 thereof is recorded in the Records.

ARTICLE 4
HOTEL OPERATIONS AND MANAGEMENT

4.1. **Hotel/Resort Operation.** It is recognized and agreed that the value of each Condo-Hotel Unit is dependent in part on the maintenance of a high standard of quality in each of the Condo-Hotel Units consistent with the standards determined by the Association from time to time in the sole but reasonable discretion of the Association (the “Resort Operating Standard”). Each of the Condo-Hotel Units shall be kept in a condition consistent with the Resort Operating Standard, and Association shall make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith, with the costs allocated either as a cost to be paid to a Hotel Manager designated by Association or as a Condominium Hotel Expense as provided for herein. In addition, the Association shall have the right and ability to perform work in and about each of the Condo-Hotel Units and, with the authorization of the Condominium Association, the Common Elements, deemed necessary and appropriate to advance the overall interest of operating and managing a hotel in the Resort consistent with the Resort Operating Standards, the costs and expense of which will be a common assessment assessed to all owners of Condo Hotel Units. The foregoing is referred to as the “Resort Operating Standards Implementation Program”.

4.2. **Provision of Resort Promotional Services.** The Association is authorized and directed to undertake certain administrative, operations and management functions of the Hotel (“Resort Promotional Services”), including, without limitation, the implementation of the Resort Operating Standards Implementation Program, the Unit Preservation Program, the FF&E Maintenance Program and the general promotion and public relations of the Resort for the benefit of the Condo-Hotel Units and the Commercial Units. The Association shall cooperate and assist the Condominium Association in connection with the implementation of the Unit Services and the Condominium Hotel Operations Organization Wide Food and Beverage Services as provided for in the Condominium Declaration.

4.3. **General.** The Association shall have the right to perform any and all other acts which in its sole discretion are necessary to operate the Resort in accordance with the Resort Operating Standard, and shall have the continuing right to institute controls, operating procedures and such other regulations as it may deem necessary. It is not intended that the duties and responsibilities herein listed are to the exclusion of any other operating procedures, duties or responsibilities which the Association, in its sole discretion, deems to be necessary for the successful operation of the Resort.

4.4. **Check-In and Check-Out.** Each Condo-Hotel Unit Owner and each Occupant shall be required to check in at the front desk prior to occupancy of any Condo-Hotel Unit. The front desk staff shall have the right to require a credit card or other deposit by each Condo-Hotel Unit Owner or Occupant prior to the occupancy of any Condo-Hotel Unit. The front desk staff shall also have the right to deny issuance of room keys prior to the occupancy of any Condo-Hotel Unit, or lock-off any Condo-Hotel Unit from occupancy by any Condo-Hotel Unit Owner or Occupant prior to or during the occupancy of any Condo-Hotel Unit, for any failure of the Condo-Hotel Unit Owner or the Occupant of such Condo-Hotel Unit to comply with the terms and conditions of this Declaration or the Resort Operating Standards, such as the failure to pay any fees or charges required under this Declaration (or any other fee or charge imposed by the Declarant or the Managing Agent), the failure to comply with any Rules and Regulations promulgated pursuant to this Declaration, the failure to comply with the Condominium Declaration or any rules and regulations promulgated pursuant thereto, etc.

4.5. **Occupancy.** All Occupants of a Condo-Hotel Unit (including, without limitation Condo-Hotel Unit Owners), shall comply with the Resort Operating Standard and all requirements imposed by Hotel staff (including security personnel), all requirements set forth in the Condominium Declaration and this Declaration, all rules and regulations promulgated pursuant to the Condominium Declaration or this Declaration, all other Hotel operating requirements and applicable law.

4.6. **Exterior Doors.** No Owner of a Condo-Hotel Unit, other than Declarant, may remove, block or otherwise render inoperable an entry doorway accessing a hallway.

4.7. **Sleeping Areas.** Certain Condo-Hotel Units are configured in a suite or multiple room configuration, including a bedroom and a parlor room. In such instances, each parlor room must have a sleeper sofa or a murphy/hideaway bed located in the Condo-Hotel Unit.

4.8. **Kitchenettes.** A Condo-Hotel Unit may only have limited kitchen facilities used primarily for

short-term accommodations, consisting of a sink, microwave, two-element burner, and a six (6) cubic foot (maximum) refrigerator.

4.9. **Unit Transient Usage Program.** Nothing in this Declaration shall: (a) impose limitations on the frequency or duration that an Owner may use and occupy their Condo-Hotel Unit; or (b) require any Condo-Hotel Unit Owner to: (i) include their Condo-Hotel Unit in the Unit Transient Usage Program or otherwise rent or lease their Condo-Hotel Unit; and/or (ii) use the services of a particular agent to rent or lease their Condo-Hotel Unit. It is recognized and agreed that Condo-Hotel Unit Owner may elect, but is not obligated, to place their Condo-Hotel Unit in the Unit Transient Usage Program.

4.10. **Hotel Management and Operation.** The Condominium Association has the power to designate an "Onsite Managing Agent" who may be granted the exclusive right to use and occupy onsite facilities necessary for the operation of the Unit Transient Usage Program ("Unit Transient Usage Program Facilities") and operate any Unit Transient Usage Program in such Unit Transient Usage Program Facilities.

4.11. **Use of Other Managing Agent.** Nothing in this Declaration shall prevent any Condo-Hotel Unit Owner from renting or leasing their Condo-Hotel Unit by themselves or through a company or agent without using the services of any Onsite Managing Agent, provided, however, that neither the Association or the Onsite Managing Agent will be required to make the Unit Transient Usage Program Facilities or any staffing or other services available to such Condo-Hotel Unit Owner in connection with their efforts to rent and accommodate guests in their Condo-Hotel Unit. In all events, the Association and the Onsite Managing Agent will provide a key to a Condo-Hotel Unit to the Condo-Hotel Unit Owner or its written designee, but in such event, neither the Association nor the Onsite Managing Agent will be required to collect funds for the rental on behalf of the Condo-Hotel Unit Owner or otherwise provide any of the Services.

4.12. **Inconveniences.** From time-to-time renovations will be made within the Condominium and the renovations may be phased resulting in the completion of the renovations of some Condo Hotel Units and Common Elements before the completion of the renovations of other Condo Hotel Units and Common Elements within the Condominium and, consequently, there may be certain inconveniences to Condo-Hotel Unit Owners until all renovations within the Condominium are complete. Inconveniences may include noise, dust, odors and debris associated with construction, interference with access and temporary interruptions of utility services. No Condo-Hotel Unit Owner shall have any claim or cause of action with respect to any such inconveniences.

4.13. **Renovations to the Common Elements.** From time-to-time renovations will be made to the Condominium's Common Elements. Each Condo-Hotel Unit Owner understands, acknowledges and agrees that all such renovations to the Common Elements are being done for the benefit of the Master Association and/or Hotel Operation Association, not for individual Condo-Hotel Unit Owners. As such, no representations or warranties are made with respect to such renovations to the Condominium's Common Elements and no Condo-Hotel Unit Owner shall have any claim or cause of action with respect thereto.

ARTICLE 5

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

5.1. **Association Membership.** Each Condo-Hotel Unit Owner and Commercial Unit Owner shall be a "Member" of the Association and shall remain a Member for the period of the Owner's ownership of the Unit, as the case may be. No Owner, whether one or more persons or entity, shall have more than one membership per Unit owned (as the case may be), but all of the persons or entities owning a Unit (as the case may be) shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Unit (as the case may be). Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Condo-Hotel Unit or Commercial Unit, as the case may be. If title to a Condo-Hotel Unit or Commercial Unit is held by more than one individual, by a firm, corporation, partnership, association or other legal entity or any combination thereof, such individuals, entity, or entities shall appoint and authorize one person or alternate persons to represent the Condo-Hotel Unit Owners of the Condo-Hotel Unit or Commercial Unit, as the case may be. Such representative shall be a natural person who is a Condo-Hotel Unit Owner, or a designated board member or officer of a corporate Condo-Hotel Unit Owner, or a general partner of a partnership Condo-Hotel Unit Owner, or a comparable representative of any other entity, and such representative shall have the power to cast votes on behalf of the Condo-Hotel Unit Owners (or Commercial Unit Owners, as the case may be) as a Member of the Association, and serve on the Board of Directors if elected, subject to the provisions of and in accordance with the

procedures more fully described in the Bylaws of the Association. Notwithstanding the foregoing, if only one of the multiple Condo-Hotel Unit Owners of a Condo-Hotel Unit (or Commercial Unit Owners, as the case may be) is present at a meeting of the Association, such Condo-Hotel Unit Owner is entitled to cast the vote allocated to that Condo-Hotel Unit or Commercial Unit, as applicable. If more than one of the multiple Condo-Hotel Unit Owners or Commercial Unit Owners are present and there is no written designation of an authorized representative, the vote allocated to that Condo-Hotel Unit or Commercial Unit, as the case may be, may be cast only in accordance with the agreement of a majority in interest of the Condo-Hotel Unit Owners or the Commercial Unit Owners, as applicable, which majority agreement may be assumed for all purposes if any one of the multiple Condo-Hotel Unit Owners or Commercial Unit Owners casts the vote allocated to that Condo-Hotel Unit or Commercial Unit without protest being made promptly to the person presiding over the meeting by any of the other Condo-Hotel Unit Owners or Commercial Unit Owners of any such Unit. If any Condo-Hotel Unit Owner or Commercial Unit Owner casts the vote for the Unit owned by such Condo-Hotel Unit Owner, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Unit, unless an Owner of that Unit makes an objection thereto to the Person presiding over the meeting when the votes are cast. If more than one vote is cast for any Unit, none of such votes shall be counted and all of such votes shall be deemed null and void.

5.2. **Voting Rights.** Each Condo-Hotel Unit and Commercial Unit shall have one vote allocated to such Unit.

(a) **Voting In General.**

(i) The votes in the Association shall be allocated as described in this Section 5.2.

(ii) There shall be two (2) categories for allocating votes in the Association: (i) Condo-Hotel Units; and (ii) Commercial Units.

(iii) The votes allocated to a Condo-Hotel Unit shall be held by the Owner(s) of such Condo-Hotel Unit and may not be separated from the Condo-Hotel Unit to which the votes are allocated. The votes allocated to a Condo-Hotel Unit may be transferred or encumbered only in connection with the conveyance or encumbrance of the fee simple interest in such Condo-Hotel Unit. Any transfer or encumbrance of votes in the Association, other than as permitted in this Section, shall be void and have no force or effect. Notwithstanding the terms and conditions of this Section above, the Owner of a Condo-Hotel Unit may appoint an agent to vote the votes allocated to the Owner's Condo-Hotel Unit by a duly executed proxy, in such form as the Association may reasonably require, timely delivered to the Association.

(iv) Class voting shall be allowed for the election and removal of Directors pursuant to Sections 5.8 and 5.9 below and for any other matter that affects only one class, but for no other purpose. The decision on whether an issue relates solely to either the class of Commercial Unit Owners or the class of Condo-Hotel Unit Owners shall be determined in the sole discretion of the Executive Board.

(v) Cumulative voting shall not be allowed in the election of Directors or for any other purpose.

(b) **Condo Hotel Voting.** Each Condo-Hotel Unit shall be allocated 1 vote, regardless of the number of Condo-Hotel Owners of that Condo-Hotel Unit. Fractional voting shall not be allowed for any vote allocated to a Condo-Hotel Unit. If the Condo-Hotel Owners of a Condo-Hotel Unit cannot agree among themselves as to how to cast their vote on a particular matter, they shall lose their right to vote on such matter.

(c) **Commercial Voting.**

(i) There shall be a total of one hundred seventy-seven (177) votes allocated among the Commercial Units. Each Commercial Unit shall be entitled to the number of votes calculated as follows:

$$\text{Number of Votes} = 177 \times \frac{\text{Area of the Commercial Unit}}{\text{Total Commercial Unit Area}}$$

(ii) Except as provided below, fractional voting shall not be allowed for any votes allocated to a Commercial Unit. If the Owners of a Commercial Unit cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner of the Commercial Unit casts the votes for that Commercial Unit, it will thereafter be presumed for all purposes that a Owner was acting with the authority and consent of all other Owners of that Commercial Unit, unless an Owner of that Commercial Unit makes an objection thereto to the Person presiding over the meeting when the votes are cast. If more than the votes allocated to a Commercial Unit are cast for the Commercial Unit, none of such votes shall be counted and all of such votes shall be deemed void.

(iii) The Owner of a Commercial Unit may appoint its lessee as its agent to vote all or any portion of the votes allocated to the Commercial Unit by proxy in accordance with the terms and conditions of Section 5.2(a)(iv) above. In that regard, fractional voting shall be allowed for the votes allocated to such Commercial Unit. Notwithstanding the foregoing, if more votes are cast for a Commercial Unit than are allocated to that Commercial Unit, none of such votes shall be counted and all of such votes shall be deemed null and void.

(d) If any Condo-Hotel Units or Commercial Units are added to or withdrawn from the regime established pursuant to this Declaration, any Condo-Hotel Units or Commercial Units are combined or subdivided, or the area of one or more Commercial Units is increased or decreased, the total number of votes allocated to all Commercial Units and Condo-Hotel Units, and the allocation thereof after such addition, withdrawal, increase or decrease, shall be recalculated as follows and reflected in an amendment to Exhibit CH-2 to be recorded in the San Miguel County Records.

5.3. **Meetings of the Association.** A meeting of the Association shall be held at least once each year. Special meetings of the Association may be called by the President, by a majority of the Board of Directors, or by Condo-Hotel Unit Owners and Commercial Unit Owners, collectively, having twenty percent (20%), or any lower percentage specified in the Bylaws, of the votes in the Association. Not less than fourteen (14) and no more than fifty (50) days in advance of any meeting, the Secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States Mail to the mailing address of each Condo-Hotel Unit Owner. If electronic means for providing notices are available, the Association shall provide notice of all regular and special meetings of Condo-Hotel Unit Owners by electronic mail to all Condo-Hotel Unit Owners who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible, but at least twenty-four (24) hours before the meeting. The notice of any meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices given of such meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to this Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. Unless the Bylaws provide for a lower percentage, a quorum is deemed present throughout any meeting of the Association if persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board of Directors are present, in person or by proxy at the beginning of the meeting.

5.4. **Actions in Lieu of Meeting.** A vote on any action that may be taken at an annual, regular or special meeting of the Owners may be taken without a meeting of the Owners, provided that the Association shall deliver a written ballot to every Owner entitled to vote on the matter by e-mail or mail, which sets forth each proposed action and provides an opportunity to vote for or against each proposed action by responding to the Association. All solicitations for votes by written ballot shall be mailed or e-mailed and shall indicate the number of responses needed to meet quorum requirements, state the percentage of approvals necessary to approve each matter, specify the time by which the response ballot must be received by the Association in order to be counted, specify the approved methods of submitting ballots, and be accompanied by written information regarding the matter to be voted upon. Ballots must be received by the Association no later than thirty calendar days from the date of the ballot, unless a different time is specified by the Board and reflected in the ballot. The Association and the Owners must send their ballots in accordance with Section 5.5. If so provided for in the written ballot, an action shall be deemed to be approved should an Owner fail to timely respond or otherwise act upon each matter identified for a vote in the written ballot. Approval by written ballot shall be valid when the number of votes cast by the ballot equals or exceeds the quorum required at a meeting authorizing the action and the number of approvals equals or exceeds the number required to approve the matter at a meeting. After the time to respond to the ballot has expired, the Association will tally the results and notify the Owners of the results within 15 days, unless a different time is

specified by the Board.

5.5. **Annual Budget; Supplemental Budget.** On or before November 1 of each calendar year, the Board of Directors shall cause to be prepared a detailed proposed budget for the ensuing calendar year. Such budget shall take into account the estimated annual Condominium Hotel Operations Expenses and cash requirements for the year, including wages, materials, insurance, services, supplies and all other Condominium Hotel Operations Expenses. On or before November 15 of each year, the Board of Directors shall notify each Condo-Hotel Unit Owner in writing as to the proposed annual budget, with reasonable itemization thereof, and containing each Condo-Hotel Unit Owner's respective assessment; provided, however, that such proposed annual budget shall be furnished to each Condo-Hotel Unit Owner at least thirty (30) days prior to its adoption by the Board of Directors. On or before January 1 of the ensuing calendar year, and the first day of each and every month of said year, each Condo-Hotel Unit Owner, jointly and severally, shall be personally liable for and obligated to pay to the Board of Directors (or as it may direct) one-twelfth (1/12) of such Condo-Hotel Unit Owner's proportionate share of the Condominium Hotel Operations Expenses for each year as shown by the annual budget. Such proportionate share for each Condo-Hotel Unit Owner shall be in accordance with such Condo-Hotel Unit Owner's respective Allocated Interest as set forth in **Exhibit CH-2** attached hereto. Upon the prior written request of a Condo-Hotel Unit Owner or its Mortgagee, the Board of Directors shall supply to such Condo-Hotel Unit Owner or its Mortgagee an itemized accounting of the Condominium Hotel Operations Expenses for the preceding calendar year actually incurred and paid. Any net shortage or excess shall be applied as an adjustment to the installments due under the current year's estimate in the succeeding six (6) months after rendering of the accounting. Each Condo-Hotel Unit Owner shall receive notice, in the same manner as is provided for meetings of the Condo-Hotel Unit Owners, of any meeting of the Board of Directors concerning the adoption of the proposed annual budget. If the estimated Condominium Hotel Operations Expenses contained in the budget prove inadequate for any reason or in the event a nonrecurring Hotel Expense is anticipated for any year, then the Board of Directors may prepare and approve a supplemental budget covering the estimated deficiency or nonrecurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Condo-Hotel Unit Owner, and thereupon a special or separate assessment shall be made to each Condo-Hotel Unit Owner for such Condo-Hotel Unit Owner's proportionate share of such supplemental budget in accordance with Section 7.4 below. All Condo-Hotel Unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount. In addition to the foregoing, any Hotel Expense not set forth in the annual budget or any increase in assessments over the amount set forth in the adopted annual budget shall be separately assessed against all Condo-Hotel Unit Owners. Notwithstanding anything to the contrary contained herein, in no event shall any Condo-Hotel Unit Owner have the right to object to the annual budget or any supplemental or special budget approved by the Board of Directors.

5.6. **Owners' and Association's Addresses for Notices.** All Condo-Hotel Unit Owners of each Condo-Hotel Unit and all Commercial Unit Owners of each Commercial Unit shall have one and the same registered mailing address and, if available, electronic mailing address, to be used by the Association or other Condo-Hotel Unit Owners for notices, demands, and all other communications regarding Association matters. The Condo-Hotel Unit Owner or the representative of each Condo-Hotel Unit Owner shall furnish such registered address to the secretary of the Association within ten days after transfer of title to the Unit to such Condo-Hotel Unit Owner. Such registration shall be in written form and signed by all of the Condo-Hotel Unit Owners of the Unit or by such persons as are authorized to represent the interests of all Condo-Hotel Unit Owners of the Unit. If no address or electronic mailing address is registered or if all of the Condo-Hotel Unit Owners cannot agree, then the address of the Unit shall be deemed their registered address until another registered address is furnished as required under this Section 5.6. If the address of the Unit is the registered address of the Condo-Hotel Unit Owner(s), then any notice shall be deemed duly given if delivered to any person occupying the Unit or, if the Unit is unoccupied, if the notice is held and available for the Condo-Hotel Unit Owners at the principal office of the Association. All notices and demands intended to be served upon the Board of Directors shall be sent to the following address or such other address as the Board of Directors may designate from time to time by notice to the Condo-Hotel Unit Owner(s):

Board of Directors
The Hotel Association of The Peaks, Inc.
P.O. Box _____
Telluride, Colorado 81435

Notices given in accordance with this Section may be sent by personal delivery, which shall be effective upon

receipt; by overnight courier service, which shall be effective upon deposit with the courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three days after deposit in the U.S. mail.

5.7. **Transfer Information.** All Persons who acquire Condo-Hotel Unit(s) other than from Declarant shall provide to the Association written notice of the Person's name, address, Condo-Hotel Unit owned, date of transfer, and name of the former Condo-Hotel Unit Owner within ten (10) days of the date of transfer. The Person shall also provide a true and correct copy of the recorded instrument conveying or transferring the Condo-Hotel Unit or such other evidence of the conveyance or transfer as is reasonably acceptable to the Association. In addition, the Association may request such other information as the Association determines is necessary or desirable in connection with obtaining and maintaining information regarding conveyances and transfers of Units. The Association or Managing Agent shall have the right to charge the Person a reasonable administrative fee for processing the transfer in the records of the Association.

5.8. **Required Election of Condo-Hotel Unit Owners.** The affairs of the Association shall be managed by a Board of Directors, which may by resolution delegate any portion of its authority to an executive or other committee of the Board or to a Managing Agent for the Association. The Board of Directors shall consist of three (3) members, of which one (1) director shall be appointed by the vote of the Condo Hotel Unit Owners Class and two (2) directors shall be appointed by the vote of the Commercial Unit Owners Class. A Director need not be a Member of the Association to serve on the Board. Each Director shall serve a two year term. Voting for the Directors shall occur at the annual meeting of the Owners. The Board may choose to provide for staggered terms for the Directors. The Board of Directors shall elect the officers. The members of the Board of Directors and officers shall take office upon election.

5.9. **Removal of Members of the Board of Directors.** Notwithstanding any provision of this Declaration or the Bylaws to the contrary, following notice and an opportunity to be heard as required by this Declaration: (a) the Condo-Hotel Unit Owners, by sixty-seven percent (67%) vote of all persons in the class of Condo-Hotel Unit Owners present and entitled to vote at a meeting of the Condo-Hotel Unit Owners at which a quorum is present, may remove a member of the Board of Directors appointed by the Condo-Hotel Unit Owners with or without cause, other than a member appointed by the Declarant; and (b) the Commercial Unit Owners, by sixty-seven percent (67%) vote of all persons in the class of Commercial Unit Owners present and entitled to vote at a meeting of the Commercial Unit Owners at which a quorum is present, may remove a member of the Board of Directors appointed by the Commercial Unit Owners with or without cause.

ARTICLE 6 **ASSOCIATION POWERS AND DUTIES**

6.1. **Association Management Duties.** Subject to the rights and obligations of Declarant and other Condo-Hotel Unit Owners and Commercial Unit Owners as set forth in this Declaration and to the duties of the Condominium Association:

(a) The Association shall be responsible for providing the Resort Promotional Services. The expenses, costs, and fees of such management and operation by the Association (as the same shall be delegated to one or more Managing Agents as provided herein) shall be part of the Assessments, and prior approval of the Condo-Hotel Unit Owners and/or the Commercial Unit Owners shall not be required in order for the Association to pay any such expenses, costs, and fees.

(b) The Association shall adopt and amend budgets for revenues, expenditures, and reserves which will be the basis for collection of Assessments for Condominium Hotel Operations Expenses from Condo-Hotel Unit Owners.

(c) The Association shall keep reasonably detailed financial records. All financial and other records of the Association shall be made reasonably available for examination by any Condo-Hotel Unit Owner and/or the Commercial Unit Owners and such Unit Owner's authorized agents. Without limiting the generality of the foregoing, the Association shall maintain all records required by this Declaration, including, without limitation, minutes of all meetings of Owners, copies of this Declaration, the Articles of Incorporation, the Bylaws, and any Rules and Regulations relating to the Hotel Operation, together with all amendments to any such documents, as well as the Association's books, records, and financial statements available for inspection by the Owners, by prospective purchasers of Condo-Hotel Units and/or the Commercial Unit Owners

and by holders, insurers, and guarantors of First Mortgages that are secured by Condo-Hotel Units and/or the Commercial Unit Owners. The Association shall make available to prospective purchasers of Condo-Hotel Units current copies of this Declaration and the Articles of Incorporation, the Bylaws, Rules and Regulations and the most recent annual financial statement prepared by the Association. The documents will be made available by advance arrangement during regular business hours. The Association shall maintain reasonably detailed accounting records, but shall not be required to prepare audited statements. Notwithstanding the foregoing, the books and records of the Association shall be subject to an audit (at the cost of the Association), no more frequently than once every two (2) years, at the prior written request of at least twenty-five percent (25%) of the Condo-Hotel Unit Owners or their respective Mortgagees.

(d) If the Association's address, designated agent, or Managing Agent changes, the Association shall provide all Condo-Hotel Unit Owners and Commercial Unit Owners with an amended notice within ninety (90) days after the change.

(e) Within ninety (90) days after the end of each fiscal year thereafter, the Association shall make available to each Condo-Hotel Unit Owner and Commercial Unit Owners (within ten (10) days after receipt of written request) the following information: (i) the date on which its fiscal year commences; (ii) a list, by unit type, of the Association's current assessments, including both regular and special assessments; (iii) its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure; (iv) the results of any financial audit or review for the fiscal year immediately preceding the current annual disclosure, if such audit or review was performed; (v) a list of all Association insurance policies, including, but not limited to, property, general liability, Association director and officer professional liability, and fidelity policies, and including the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed; (vi) all the Association's bylaws, articles, and Rules and Regulations; and (vii) the minutes of the Executive Board and member meetings for the fiscal year immediately preceding the current annual disclosure.

6.2. **Association Powers.** The Association shall have, subject to the limitations contained in this Declaration, the powers necessary for the administration of the affairs of the Association and the upkeep of the Condominium Hotel Operation which shall include, but not be limited to, the power to:

- (a) adopt and amend Bylaws and Rules and Regulations;
- (b) adopt and amend budgets for revenues, expenditures and reserves (if and to the extent applicable);
- (c) implement the Resort Promotional Services and perform all other duties and functions stated in this Declaration;
- (d) assist in the promotion of the Unit Transient Rental Program;
- (e) collect assessments for Condominium Hotel Operations Expenses from Condo-Hotel Unit Owners;
- (f) hire and discharge Managing Agents to perform some or all of the powers and duties of the Board under this Declaration, subject to oversight by the Board;
- (g) hire and discharge employees and agents, other than Managing Agents, and independent contractors;
- (h) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Declaration, Bylaws or Rules and Regulations in the Association's name on behalf of the Association or two or more Condo-Hotel Unit Owners on matters affecting the Hotel Operation;
- (i) receive notices, join in any litigation or administrative proceedings, and execute any and all documents, in the Association's name, on behalf of the Association or two or more Condo-Hotel Unit Owners, in connection with any type of governmental approvals required to accomplish the purposes of this Declaration;

- (j) make contracts and incur liabilities;
- (k) impose a reasonable charge for late payment of Assessments, recover Costs of Enforcement for collection of Assessment and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated and, after notice and hearing, levy reasonable fines for violations of this Declaration, Bylaws and Rules and Regulations of the Association;
- (l) impose a reasonable charge for the preparation and recordation of amendments to this Declaration or for preparation of statements of unpaid Assessments;
- (m) provide for the indemnification of the Association's officers and Board of Directors and maintain Board of Directors' and officers' liability insurance;
- (n) assign the Association's right to future income, including the right to receive Assessments;
- (o) keep adequate books and records and implement the policies and procedures for the inspection of books and records of the Association by Condo-Hotel Unit Owners and Commercial Unit Owners in accordance with the terms of the Bylaws;
- (p) establish policies and procedures for entry into Condo-Hotel Units under authority granted to the Association in the Condominium Hotel Operations Governing Documents for the purpose of abating a nuisance or a known or suspected dangerous or unlawful activity;
- (q) by resolution, establish committees of the Board of Directors, Commercial Unit Owners or Condo-Hotel Unit Owners, permanent and standing, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee;
- (r) exercise any other powers conferred by this Declaration or the Bylaws;
- (s) exercise any other power that may be exercised in Colorado by legal entities of the same type as the Association; and
- (t) exercise any other power necessary and proper for the governance and operation of the Association and the Hotel.

6.3. **Actions by and Duties of Board of Directors.** Except as specifically otherwise provided in this Declaration or the Bylaws, the Board of Directors may act in all instances on behalf of the Association. After affording Owners a reasonable opportunity to be heard, the Executive Board may: (a) adopt responsible governance policies, procedures and rules concerning collection of unpaid Assessments, handling of conflicts of interest involving members of the Board, conduct of meetings, enforcement of rules of the Association, inspection and copying of Association records and investment of reserve funds (if and to the extent applicable); and (b) promulgate and enforce reasonable Rules and Regulations governing the use of the Condo-Hotel Units and any property owned by the Association, which Rules and Regulations shall be consistent with the rights and duties established in this Declaration and the Condominium Declaration. Such enforcement rights shall include, without limitation, enforcement by levying and collecting charges and fines for the violation of such Rules and Regulations.

6.4. **Board of Directors Meetings.** All meetings of the Board of Directors will be open to the Condo-Hotel Unit Owners and Commercial Unit Owners, except that meetings of the Board of Directors may be held in executive session(s), without giving notice and without the requirement that they be open to Condo-Hotel Unit Owners, in the following situations:

- (a) matters pertaining to employees of the Association or involving the employment, promotion, discipline or dismissal of an officer, agent, or employee of the Association;
- (b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;

- (c) investigative proceedings concerning possible or actual criminal misconduct;
- (d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and
- (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

6.5. **Right to Notice and Hearing.** Whenever the Condominium Hotel Operations Governing Documents require that an action be taken after “notice and hearing”, the following procedure shall be observed: The party proposing to take the action (e.g., the Board of Directors, a committee, an officer, the Managing Agent, etc.) shall give notice of the proposed action to all Condo-Hotel Unit Owners and/or the Commercial Unit Owners whose interests the proposing party reasonably determines would be significantly affected by the proposed action. The notice shall be (i) mailed not less than three (3) days or (ii) delivered personally or via email twenty four (24) hours before the proposed action is to be taken. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both, subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the hearing was given. Any Condo-Hotel Unit Owner and/or the Commercial Unit Owners having a right to notice and hearing shall have the right to appeal to the Board of Directors from a decision of a proposing party other than the Board of Directors by filing a written notice of appeal with the Board of Directors within ten (10) days after being notified of the decision. The Board of Directors shall conduct a hearing within forty-five (45) days, giving the same notice and observing the same procedures as were required for the original hearing.

ARTICLE 7 **ASSESSMENTS**

7.1. **Calculation of Shares of Condominium Hotel Operations Expenses.** The respective Shares of Condominium Hotel Operations Expenses to be assessed by the Association against each of the Condo-Hotel Units shall be equal to the Allocated Interest assigned to the Condo-Hotel Unit as reflected on **Exhibit CH-2**; provided, however, that the maximum amount to be borne by Declarant shall be the Share of Condominium Hotel Operations Expenses allocable to the Condo-Hotel Units then-owned by Declarant. After any Assessment has been made by the Association, Assessments shall be made no less frequently than annually and shall be based on a budget adopted no less frequently than annually by the Association. No Share of Condominium Hotel Operations Expenses shall be allocated to the Commercial Units nor shall the Owners of the Commercial Units otherwise be required to pay any portion of the Condominium Hotel Operations Expenses, except as may otherwise be provided for in this Declaration.

7.2. **Annual Assessments.** The Association shall levy annual Assessments equal to the respective Shares of Condominium Hotel Operations Expenses allocated to each Condo-Hotel Unit pursuant to this Declaration to pay for the Condominium Hotel Operations Expenses. The total annual Assessments shall be based upon a budget of the Association’s cash requirements for the Condominium Hotel Operations Expenses, including all hotel operations as required by the Condominium Hotel Operations Governing Documents. Any surplus funds of the Association remaining after payment of or provision for Condominium Hotel Operations Expenses and any prepayment of or provision for reserves shall be credited to the Condo-Hotel Unit Owners in proportion to their Share of Condominium Hotel Operations Expenses or credited to them to reduce their future Assessments for Condominium Hotel Operations Expenses.

7.3. **Apportionment of Annual Assessments.** The total annual Assessments for any fiscal year of the Association shall be assessed to the Condo-Hotel Units in proportion to their respective Shares of Condominium Hotel Operations Expenses, provided that the following may not be assessed in proportion to their respective Shares of Condominium Hotel Operations Expenses: (a) Condominium Hotel Operations Expenses or portions thereof benefiting fewer than all of the Condo-Hotel Units which shall be assessed exclusively against the Condo-Hotel Units benefited; (b) any increased cost of insurance based upon risk which shall be assessed to Condo-Hotel Units in proportion to the risk; and (c) any Condominium Hotel Operations Expenses caused by the

misconduct of any Condo-Hotel Unit Owner(s), which may be assessed exclusively or on such other equitable basis as the Board of Directors shall determine against such Condo-Hotel Unit Owner(s). All such allocations of Share of Condominium Hotel Operations Expenses to Condo-Hotel Units on a basis other than the Condo-Hotel Units' Share of Condominium Hotel Operations Expenses shall be made at the sole discretion of the Board of Directors.

7.4. **Special Assessments.** In addition to the annual Assessments authorized above, the Board of Directors may at any time and from time to time determine, levy, and assess in any fiscal year a special Assessment applicable to that particular fiscal year (and for any such longer period as the Board of Directors may determine) for the purpose of defraying, in whole or in part, the unbudgeted costs, fees, and expenses of the operation of the Hotel and personal property related to it. Any amounts determined, levied, and assessed pursuant to this Declaration shall be assessed to the Condo-Hotel Units pursuant to the provisions in Section 7.3 entitled "Apportionment of Annual Assessments" set forth above.

7.5. **Due Dates for Assessment Payments.** Unless otherwise determined by the Board of Directors, the Assessments which are to be paid in installments shall be paid monthly in advance and shall be due and payable to the Association at its office or as the Board of Directors may otherwise direct in any Management Agreement, without notice (except for the initial notice of any special Assessment), on the first day of each month. If any such installment shall not be paid within thirty (30) days after it shall have become due and payable, then the Board of Directors may assess a late charge, default interest charge (not to exceed eighteen percent (18%) per annum), fee, or such other charge as the Board of Directors may fix by rule from time to time to cover the extra expenses involved in handling such delinquent Assessment installment. A Condo-Hotel Unit Owner's Assessment shall be prorated if the ownership of a Condo-Hotel Unit commences or terminates on a day other than the first day or last day, respectively, of a month or other applicable payment period. If the Share of Condominium Hotel Operations Expenses is reallocated, any installment of an Assessment not yet due shall be recalculated in accordance with the revised allocated Share of Condominium Hotel Operations Expenses.

7.6. **Default Assessments.** All Costs of Enforcement assessed against a Condo-Hotel Unit Owner pursuant to the Condominium Hotel Operations Governing Documents, or any expense of the Association which is the obligation of a Condo-Hotel Unit Owner pursuant to the Condominium Hotel Operations Governing Documents shall become a default Assessment assessed against the Condo-Hotel Unit Owner's Condo-Hotel Unit. Notice of the amount and demand for payment of such default Assessment shall be sent to the Condo-Hotel Unit Owner prior to enforcing any remedies for non-payment hereunder.

7.7. **Covenant of Personal Obligation for Assessments.** All Condo-Hotel Unit Owners, by acceptance of the deed or other instrument of transfer of his Condo-Hotel Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), are deemed to personally covenant and agree, jointly and severally, with all other Condo-Hotel Unit Owners and with the Association, and hereby do so covenant and agree to pay to the Association the (a) annual Assessments, (b) special Assessments, and (c) default Assessments applicable to the Condo-Hotel Unit Owner's Condo-Hotel Unit. No Condo-Hotel Unit Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the services provided pursuant to this Declaration or by abandoning or leasing his Condo-Hotel Unit.

7.8. **Lien for Assessments; Assignment of Rents.** The annual, special, and default Assessments (including installments of the Assessments) arising under the provisions of the Condominium Hotel Operations Governing Documents shall be burdens running with, and a perpetual lien in favor of the Association upon the specific Condo-Hotel Unit to which such Assessments apply. To further evidence such lien upon a specific Condo-Hotel Unit, the Association shall prepare a written lien notice setting forth the description of the Condo-Hotel Unit, the amount of Assessments on the Condo-Hotel Unit unpaid as of the date of such lien notice, the rate of default interest as set by the Rules and Regulations, the name of the Condo-Hotel Unit Owner or Condo-Hotel Unit Owners of the Condo-Hotel Unit, and any and all other information that the Association may deem proper. The lien notice shall be signed by a member of the Board of Directors, an officer of the Association, or the Managing Agent and shall be recorded in the Records. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the Condo-Hotel Unit and attaches without notice at the beginning of the first day of any period for which any Assessment is levied. Upon any default in the payment of annual, special, or default Assessments, the Association shall also have the right to appoint a receiver to collect all rents, profits, or other income from the Condo-Hotel Unit payable to the Condo-Hotel Unit Owner and to apply all such rents, profits, and income to the payment of delinquent Assessments. Each Condo-Hotel Unit Owner, by ownership of a Condo-Hotel Unit, agrees to the assignment of such rents, profits and income to the Association effective

immediately upon any default in the payment of annual, special, or default Assessments. The Lien created hereunder is junior in priority to any lien accruing to the Condominium Association.

7.9. **Remedies for Nonpayment of Assessments.** If any annual, special, or default Assessment (or any installment of the Assessment) is not fully paid within 30 days after the same becomes due and payable, then as often as the same may happen, (a) interest shall accrue at the default rate set by the Rules and Regulations on any amount of the Assessment in default, accruing from the due date until date of payment, (b) the Association may declare due and payable all unpaid installments of the annual Assessment or any special Assessment otherwise due during the fiscal year during which such default occurred, (c) the Association may thereafter bring an action at law or in equity, or both, against any Condo-Hotel Unit Owner personally obligated to pay the same, (d) the Association may proceed to foreclose its lien against the particular Condo-Hotel Unit pursuant to the power of sale granted to the Association by this Declaration or in the manner and form provided by Colorado law for foreclosure of real estate mortgages, (e) the Association may suspend the Owner's right to vote in Association matters until the Assessment is paid and (f) the Association may limit or prohibit the right of such Condo-Hotel Unit Owner (or any permittee or transient guest of such Condo-Hotel Unit Owner or other Occupant of the Condo-Hotel Unit) to use such Condo-Hotel Unit Owner's Condo-Hotel Unit. An action at law or in equity by the Association (or counterclaims or cross-claims for such relief in any action) against a Condo-Hotel Unit Owner to recover a money judgment for unpaid Assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to stop or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments (or installments thereof) which are not fully paid when due or for any subsequent default Assessments. The Association shall have the power and right to bid in or purchase any Condo-Hotel Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, and to convey, or otherwise deal with the Condo-Hotel Unit acquired in such proceedings.

7.10. **Continuing Liability for Assessments.** Notwithstanding the personal obligation of each Condo-Hotel Unit Owner to pay all Assessments on the Condo-Hotel Unit, and notwithstanding the Association's perpetual lien upon a Condo-Hotel Unit for such Assessments, all purchasers shall be jointly and severally liable with the prior Condo-Hotel Unit Owner(s) for any and all unpaid Assessments against such Condo-Hotel Unit, without prejudice to any such purchaser's right to recover from any prior Condo-Hotel Unit Owner any amounts paid thereon by such purchaser. Except as it relates to Declarant, a purchaser's obligation to pay Assessments shall commence upon the date the purchaser becomes the Condo-Hotel Unit Owner of a Condo-Hotel Unit. For Assessment purposes, the date a purchaser becomes the Condo-Hotel Unit Owner shall be determined as follows: (a) in the event of a conveyance or transfer by foreclosure, the date a purchaser becomes the Condo-Hotel Unit Owner shall be deemed to be upon the expiration of all applicable redemption periods; (b) in the event of a conveyance or transfer by deed in lieu of foreclosure a purchaser shall be deemed to become the Condo-Hotel Unit Owner of a Condo-Hotel Unit upon the execution and delivery of the deed or other instruments conveying or transferring title to the Condo-Hotel Unit, irrespective of the date the deed is recorded; and (c) in the event of conveyance or transfer by deed, a purchaser shall be deemed to become the Condo-Hotel Unit Owner upon the execution and delivery of the deed or other instruments conveying or transferring title of the Condo-Hotel Unit, irrespective of the date the deed is recorded. However, such purchaser shall be entitled to rely upon the existence and status of unpaid Assessments as shown upon any certificate issued by or on behalf of the Association to such named purchaser pursuant to the provisions of this Declaration.

7.11. **Subordination of Association's Lien for Assessments.** The Association's perpetual lien on a Condo-Hotel Unit for Assessments shall be superior to all other liens and encumbrances except the following:

- (a) real property ad valorem taxes and special assessment liens duly imposed by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute;
- (b) liens recorded prior to this Declaration unless otherwise agreed by the parties thereto;
- (c) the lien of any First Mortgagee; and
- (d) any liens pursuant to the Condominium Declaration.

Sale or other transfer of any Condo-Hotel Unit shall not affect the Association's lien on such Condo-Hotel Unit for Assessments due and owing prior to the time such purchaser acquired title and shall not affect the personal liability of each Condo-Hotel Unit Owner who shall have been responsible for the payment thereof. Further, no such sale or transfer shall relieve the purchaser of a Condo-Hotel Unit from liability for, or the Condo-Hotel Unit from the lien of, any Assessments made after the sale or transfer.

7.12. **Statement of Status of Assessments.** On or before 14 calendar days after receipt of written notice to the Managing Agent or, in the absence of a Managing Agent, to the Board of Directors and payment of a reasonable fee set from time to time by the Board of Directors, any Condo-Hotel Unit Owner, holder of a Security Interest, prospective purchaser of a Condo-Hotel Unit or their designees shall be furnished a statement of the Condo-Hotel Unit Owner's account setting forth:

- (a) the amount of any unpaid Assessments then existing against a particular Condo-Hotel Unit;
- (b) the amount of the current installments of the annual Assessment and the date that the next installment is due and payable;
- (c) the date(s) for payment of any special Assessments outstanding against the Condo-Hotel Unit; and
- (d) any other information, deemed proper by the Association, including the amount of any delinquent Assessments created or imposed under the terms of this Declaration.

Upon the issuance of such a certificate signed by a member of the Board of Directors, by an officer of the Association, or by a Managing Agent, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such certificate is addressed and who rely on the certificate in good faith.

ARTICLE 8 **UNIT AND FF&E MAINTENANCE RESPONSIBILITY**

8.1. **Condo-Hotel Unit Owner's Rights and Duties with Respect to Interiors.** In order to maintain the Resort Operating Standards and implement the Resort Operating Standards Implementation Program, the condition of each Unit and the quality of the decor, furniture, furnishings and appliances within each Condo-Hotel Unit, including, without limitation, all fixtures (including bathroom fixtures), cabinetry, carpeting, floor covering, paint, wall covering, furniture (including built-in furniture, if any), lighting, mirrors, decor items, color television, clock, radio, drapes, shades and other window treatments and any and all other fixtures, equipment, utilities and decorative accessories within the Unit (collectively, the "FF&E") and the physical condition of each Condo-Hotel Unit, the Association shall keep and maintain each Condo-Hotel Unit and the FF&E contained in each Condo-Hotel Unit to the condition when the Condo-Hotel Unit was purchased and in conformance with the Resort Operating Standards. Each Owner shall cooperate and assist the Association in undertaking these actions and shall be precluded from removing or replacing any FF&E without the prior consent of Declarant, the Association or the Managing Agent, which consent may be granted or withheld in the reasonable discretion of the reviewing party consistent with the overall objective of maintaining the Resort Operating Standards. The Association may appoint a Managing Agent to perform the duties provided for in this Article 8.

8.2. **Inspection, Repair and Maintenance Services of Unit.** A Condo-Hotel Unit Owner shall not allow any action or work that could impair the structural soundness of the improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of the improvements within their Condo-Hotel Unit. Subject to the Master Association's overall responsibility for maintenance of the Common Elements under the Master Association Governing Documents and the provision of the Unit Services, the Association shall be responsible for any further maintenance and care of the Condo-Hotel Unit and for keeping the same in a good, clean, sanitary, and attractive condition consistent with the Resort Operating Standard. Notwithstanding anything to the contrary contained herein, Owner shall be obligated to permit the Association or the Managing Agent to perform the maintenance described herein and to pay for any and all costs assessed against the Condo-Hotel Unit with respect thereto, and Owner shall not have the right to opt out of such maintenance services, regardless of whether the Condo-Hotel Unit is then-occupied by Owner or any Guest.

8.3. **Inspection, Repair and Maintenance Services of FF&E.** All of the FF&E in the Condo-Hotel Unit shall be kept in a uniform condition and shall be maintained in accordance with the Resort Operating Standard. In order to maintain the Resort Operating Standard for the Subject Units, the quality of the FF&E is subject to ongoing review by the Association. Other than as the Association may permit or perform, a Condo-Hotel Unit Owner shall not be permitted to vary, add to, remove or change the FF&E in their Condo-Hotel Unit.

8.4. **Cost of Maintenance and Replacement of Unit and FF&E.** The Association has sole and exclusive authority over the FF&E, finishes and condition of the Condo-Hotel Units. In each instance that the Association makes a determination that the FF&E is in need of replacement within a Condo-Hotel Unit, or in connection with any general refurbishment or renovation of the Condo-Hotel Unit, the Association shall undertake any such necessary refurbishment of or replacement of FF&E within the Unit (“FF&E Maintenance Fees”) and refurbishment of or renovation of the Unit (“Unit Maintenance Fees”), the costs for which will be assessed against the Condo-Hotel Unit. The Association shall provide the Condo-Hotel Unit Owner with notice of such determination and shall coordinate the timing for the initiation of the work with the Condo-Hotel Unit Owner. The Association may also perform such work or purchase such items at the expense of Owner without any prior notice to Owner in the event of an emergency. The decision of the Association, as it relates to compliance or non-compliance with the above FF&E provisions, shall be conclusive and binding on the Condo-Hotel Unit Owner. In the event of a dispute concerning the compliance or non-compliance of the Condo-Hotel Unit or its décor, adornment, furnishings or FF&E with the Resort Operating Standard or the need for repair or replacement, the decision of the Association shall be binding upon the Condo-Hotel Unit Owner.

8.5. **Maintenance of Unit and FF&E Fund.** To assist in meeting the funding requirements associated with the FF&E Maintenance Fees and the Unit Maintenance Fees, the Association will assess and collect funds from each Condo-Hotel Unit Owner to be held in a combined fund designated for use in connection with the maintenance, repair and replacement services for all of the Condo-Hotel Units and for the upkeep and replacement of the FF&E (the “Unit Maintenance and FF&E Fund”). ||

8.6. **Common Elements Are Responsibility of the Condominium Association.** The Condominium Association is responsible for the maintenance, repair and replacement of the Common Elements pursuant to the Condominium Declaration. Nothing contained in this Declaration shall be deemed to impose any obligation on the Declarant, the Association or the Managing Agent to perform any maintenance, repair or replacement in the Condominium as might be provided for in the Condominium Declaration or as might be the responsibility of the Condominium Association or some other party pursuant to the Condominium Declaration or the Act.

ARTICLE 9 **MECHANICS' LIENS**

9.1. **Mechanics' Liens.** Subsequent to recording of this Declaration, no labor shall be performed or materials furnished for use and incorporated in any Condo-Hotel Unit by any Condo-Hotel Unit Owner (other than Declarant) unless expressly permitted by Declarant, the Association or the Managing Agent. If any such work is performed, and if such work is the basis for the filing of a lien against a Condo-Hotel Unit, such lien shall only apply to the Condo-Hotel Unit for which such labor shall have been performed or such materials shall have been furnished. Each Condo-Hotel Unit Owner shall indemnify and hold harmless each of the other Condo-Hotel Unit Owners, the Declarant and the Association from and against any liability or loss arising from the claim of any mechanics' lien or for labor performed or for materials furnished in work on such Condo-Hotel Unit Owner's Condo-Hotel Unit, against the Condo-Hotel Unit of another Condo-Hotel Unit Owner or any part thereof.

9.2. **Enforcement by the Association.** At its own initiative or upon the written request of any Condo-Hotel Unit Owner (if the Association determines that further action by the Association is proper), the Association shall enforce the indemnity provided by the provisions of this Article 9 by collecting from the Condo-Hotel Unit Owner of the Condo-Hotel Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanics' lien, to pay all costs and reasonable attorneys' fees incidental to the lien, and to obtain a release of such lien. If the Condo-Hotel Unit Owner of the Condo-Hotel Unit on which the labor was performed or materials furnished refuses or fails to indemnify within five (5) days after the Association shall have given notice to such Condo-Hotel Unit Owner of the total amount of the claim, then the failure to so indemnify shall be a default by such Condo-Hotel Unit Owner under the provisions of this Section 9.2, and such amount to be indemnified shall automatically become a default Assessment determined and levied against

such Condo-Hotel Unit, and enforceable by the Association pursuant to this Declaration.

ARTICLE 10
USE RESTRICTIONS

10.1. **Condominium Declaration.** The Condominium Hotel Operation is subject to the use restrictions contained in the Condominium Declaration, any Rules and Regulations of the Condominium Association and applicable law.

10.2. **Use of Condo-Hotel Units.** Except for uses reserved to Declarant in Article 12 entitled "Special Declarant Rights and Additional Reserved Rights", all Condo-Hotel Units shall be used for residential and/or transient hotel occupancy, dwelling and lodging purposes only. Each Condo-Hotel Units shall be used in a manner consistent with the requirements, terms and conditions otherwise stated in this Declaration. A Condo-Hotel Unit may not be subjected to or otherwise owned and operated as deed restricted employee housing purposes, unless approved by the Declarant and the Association. Condo-Hotel Unit Owners of the Condo-Hotel Units may rent or lease such Condo-Hotel Units to others for these purposes (on a transient or other basis).

10.3. **Prohibition of Increases in Insurable Risks and Certain Activities.** Nothing shall be done or kept in any Condo-Hotel Unit, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Condominium Hotel Operation or in an increase in the rate of the insurance on all or any part of the Condominium Hotel Operation over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Condo-Hotel Unit which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body having jurisdiction over the Hotel Operation.

10.4. **Structural Alterations and Exterior Appearance.** No structural alterations to any Condo-Hotel Unit, including the construction of any additional skylight, window, door or other alteration visible from the exterior of the Condo-Hotel Unit, or to any Common Element or no division of a Condo-Hotel Unit into multiple units or not combining of Condo-Hotel Units, no enlargement of kitchenette facilities as existing in the Condo-Hotel Unit as of the Effective Date, shall be made or caused to be made by any Condo-Hotel Unit Owner without the prior written approval of the Condominium Association pursuant to the Condominium Declaration, the Declarant and the Association. It is acknowledged and agreed that the Condo-Hotel Units vary in size and contents, with some units containing more rooms and/or greater kitchen facilities than other units. No window coverings or other improvements, alterations or decorations visible from outside a Condo-Hotel Unit shall be added by a Condo-Hotel Unit Owner without the prior written approval of the Declarant and the Association. No alteration or subdivision of Condo-Hotel Units or relocation of boundaries between adjoining Condo-Hotel Units shall be made by the Condo-Hotel Unit Owners without the prior written approval of the Condominium Association pursuant to the Condominium Declaration, the Declarant and the Association. The Association may promulgate Rules and Regulations establishing procedures for the approvals required by this Section 10.4. Such Rules and Regulations may include, but shall not be limited to, requirements that the applicant submit plans and specifications showing the nature, kind, shape, height, color, materials and location of the proposed alterations in sufficient detail for the Association and Declarant to review them, processing and/or review fees, which may include any professional fees the Association or Declarant might incur in retaining architects or engineers to review the plans and specifications. The Rules and Regulations shall specifically consider the impact of the alteration on the harmony of external design and location in relation to surrounding structures and topography. The Condo-Hotel Unit Owner will also be required to comply with any Condominium Association requirements regarding alterations, if and to the extent that the proposed alterations are subject to Condominium Association control or approval.

10.5. **Use Restrictions.** No activity shall be allowed which interferes unduly with the Condominium Hotel Operation by the Condo-Hotel Unit Owners, nor shall any fire hazard or unsightly accumulation of refuse be allowed. No lights shall be emitted which are unreasonably bright or cause unreasonable glare; no sound shall be emitted which is unreasonably loud or annoying; and no odor shall be emitted which is nauseous or offensive to others.

10.6. **Limit on Timesharing and Vacation Clubs.** Except as permitted in the Condominium Declaration, and then in accordance with the Condominium Declaration and the Act, no Condo-Hotel Unit Owner, excluding Declarant, shall offer or sell any interest in such Condo-Hotel Unit under a "timesharing" or "interval ownership" plan, or any similar plan or a vacation club without the specific prior written approval of the Declarant

and the Association.

10.7. **Restriction on Signs.** Except for signage rights reserved in this Declaration for Declarant, no signs, billboards, posterboards, or advertising structure of any kind shall be displayed, erected or maintained for any purpose whatsoever (including "for sale", "for rent" and similar signage) except such signs as have been approved by the Declarant and the Association. Any signs which are permitted under the foregoing restrictions shall be erected or maintained on the Condominium Hotel Operation only with the prior written approval of the Declarant and the Association (as well as the Condominium Association to the extent subject to the control of the Condominium Association pursuant to the Condominium Declaration), which approval shall be given only if such signs are of attractive design and as small a size as reasonably possible and shall be placed or located as directed or approved by the Association.

10.8. **Commercial Operations.** The Association shall not adopt Rules and Regulations that substantially impede or effectively prohibit the commercial or other operations within the Commercial Units. The Commercial Units may be used for any commercial or other purpose not prohibited by applicable laws, codes and ordinances or the Condominium Declaration including, to the extent applicable, spa/health club facilities, restaurant, conference and ballroom facilities offices, retail, personal services and other food and beverage. Subject to the provisions of the Condominium Declaration, and the rights and powers of the Condominium Association, each Commercial Unit Owner may: (1) perform such activities within a Commercial Unit as are common to or necessary for the conduct of commercial operations, including, without limitation, spa and related services, restaurant, nightclub, lounge and retail operations, and any lights, sounds and odors which result from such activities shall not violate the terms of this Declaration; (2) change the use of its Commercial Unit without the consent of the other Condo-Hotel Unit Owners and take all such related actions (subject to compliance with the Condominium Declaration and applicable law) required to effectuate such change in use; (3) erect, attach, install, remove and replace signs, banners, window boxes, decorations and other similar items on the exterior of the Condominium or projections from the exterior of the Condominium, on the condition that such signs, banners, window boxes, decorations and other similar items and their locations are subject to the Condominium Declaration and the Condominium Association's powers pursuant to the terms of the Condominium Declaration and applicable law; and (4) apply for and obtain land use approvals and other licenses and permits that are necessary or appropriate for the conduct of commercial activities in a Commercial Unit without obtaining the approval of the Association or any other Condo-Hotel Unit Owner. None of the foregoing rights with regard to the Commercial Unit Owners and the Commercial Units may be amended, modified or restricted (including, without limitation, by Rules and Regulations of the Association or amendment to this Declaration) without the consent of one hundred percent (100%) of the Commercial Unit Owners in a written instrument duly executed by such Commercial Unit Owners (and their respective Mortgagees, if applicable). The Association shall have the right to operate or enter into leases or license agreements with Declarant, affiliates of Declarant or third parties which permit such parties to operate food and beverage service or other concessions within the Condominium.

ARTICLE 11 **EASEMENTS**

The following "Easements" are hereby established by Declarant for the purposes stated and for the parties indicated. Declarant reserves the right to modify the location and/or use of any of the Easements identified in this Article Eleven or anywhere else in this Declaration. Declarant also reserves the right to expand the Persons who may use the Easements. Declarant also reserves the right to transfer and assign its rights under the Easements established in this Article Eleven to such Persons determined by Declarant, which assignment shall be made in writing and recorded in the Official Records. Declarant's rights with respect to the Easements arising under this Article Eleven shall terminate thirty (30) years after the date of recording of this Declaration. The Easements are in addition to the Easements established in the Condominium Governing Documents.

11.1. **Easement to Undertake the Resort Promotional Services.** An easement ("Resort Promotional Services Easement") is hereby granted to the Association and its designees over and across the Condo-Hotel Units and Commercial Units for the purpose of allowing the provision of the Resort Promotional Services. The rights under the Resort Promotional Services Easement are deemed to be possessory in nature for the purposes of undertaking the Unit Services, subject to the right of the Owners or occupants of each Unit to undertake all such other uses and activities that are authorized to be undertaken in such Unit pursuant to the Condominium Declaration. The Resort Promotional Services Easement hereby authorizes the Association and/or its designee to undertake all components of the Resort Promotional Services within or about each of the Condo Hotel Units and

Commercial Units. Each Unit Owner hereby acknowledges, agrees and consents to: (a) The establishment and grant of the Resort Promotional Services Easement to the extent that it burdens the Unit Owner's Unit, (b) The provision and undertaking of the Resort Promotional Services in the Unit Owner's Unit; (c) The rights, duties and obligations arising under the Resort Promotional Services Easement being binding easements, obligations and covenants on the Association with respect to the Association and to each Unit Owner with respect to their Unit and such easements, obligations and covenants run with title to the respective Unit as burdened by the Resort Promotional Services Easement. The Association and/or its designee performing the Resort Promotional Services shall obtain and maintain insurance coverage for the provision of the Resort Promotional Services in coverages and amounts reasonably available and customarily obtained for similar operations and activities, with insurance coverage that will designate the Association and each Owner as an additional insured thereunder. If an Owner of any Condo Hotel Unit and Commercial Unit specifically requests in writing that those components of the Resort Promotional Services intended to occur with the Owner's Unit not be conducted in their Unit during the Owner's period of Ownership, the Association agrees not to conduct such portions of the Resort Promotional Services in the particular Unit unless and until the Owner of the Unit withdraws the non-usage notice in writing, provided, however, that such notification shall not be a basis for the Owner of the Unit to demand or obtain a reduction in the common expenses and assessments allocated to the Owner's Unit. The Association may include the provision of the Resort Promotional Services in a management agreement with the Managing Agent. Nothing herein shall be deemed to have established or otherwise burdened the Clubhouse Unit with the Resort Promotional Services Easement or granted any rights to undertake the Resort Promotional Services within the Clubhouse Unit or obligate the Clubhouse Unit to incur costs or expenses in connection with the provision of the Resort Promotional Services.

11.2. **Easements Deemed Created.** All conveyances of Condo-Hotel Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article 11, even though no specific reference to such easements or to this Article 11 appears in the instrument for such conveyance. The easements reserved in this Article 11 shall be deemed to be created to the extent not prohibited by the terms and conditions of the Condominium Declaration.

ARTICLE 13 **RESERVATION OF EXPANSION AND DEVELOPMENT RIGHTS**

13.1. **Amendment of Declaration.** If Declarant elects to submit any additional condominium units ("Expansion Units") or other improvements to this Declaration, Declarant shall record an amendment to this Declaration reallocating the Allocated Interest so that the Allocated Interest appurtenant to each Condo-Hotel Unit will be apportioned according to the total number of Condo-Hotel Units submitted to this Declaration. The Allocated Interest appurtenant to each Condo-Hotel Unit in the Condominium Hotel Operation shall be based on formula set forth in Section 3.2. The Amendment to this Declaration shall contain at a minimum the legal description of the Expansion Units, or a part thereof and a schedule of the Allocated Interest appurtenant to the Condo-Hotel Units in the Hotel Operation.

13.2. **Interpretation.** Recording of amendments to this Declaration shall automatically

- (a) vest in each existing Condo-Hotel Unit Owner and Commercial Unit Owner the reallocated Allocated Interest appurtenant to his Unit; and
- (b) vest in each existing holder of a Security Interest a perfected Security Interest in the reallocated Allocated Interest appurtenant to the encumbered Unit. Upon the recording of an amendment to this Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Subject Units, as expanded. The Expansion Units, or any part thereof, shall be added to and become a part of the Condominium Hotel Operation for all purposes.

13.3. **Termination of Expansion Rights.** The Expansion Rights reserved to Declarant, for itself, its successors and assigns, shall expire ninety-nine (99) years after the date of recording this Declaration in the Records, unless the Expansion Rights are reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Board of Directors may impose on the subsequent exercise of the Expansion Rights by Declarant. Declarant may at any time release and relinquish some or all of the Expansion Rights.

13.4. **Interference With Expansion Rights.** Neither the Association nor any Condo-Hotel Unit Owner may take any action or adopt any rule or regulation that will interfere with or diminish any Expansion Rights

or Development Rights reserved by this Article 13 without the prior written consent of the Declarant.

13.5. **Transfer of Expansion Rights.** Any Expansion Rights created or reserved under this Article 13 for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred and recorded in the Records. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE 14 **INSURANCE**

14.1. **Coverage.** Commencing not later than the first conveyance of a Condo-Hotel Unit to a purchaser and to the extent reasonably available, the Association, only to the extent not otherwise provided for or covered by the Condominium Governing Documents, shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Board of Directors determines that any insurance described herein will not be maintained, the Board of Directors shall promptly cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Condo-Hotel Unit Owners at their respective last known addresses.

(a) **Liability Insurance.** The Association shall maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Hotel Operation, insuring the Board of Directors, the Association, the Managing Agent, and their respective employees, agents and all persons acting as agents. The Declarant shall be included as an additional insured in such Declarant's capacity as a Condo-Hotel Unit Owner and member of the Board of Directors. Condo-Hotel Unit Owners shall be included as additional insureds but only for claims and liabilities arising in the provision of the Resort Promotional Services. The insurance shall cover claims of one or more insured parties against the other insured parties. Amounts of such liability insurance shall be as the Association determines, but in no event less than \$2,000,000 for personal injury and \$1,000,000 for property damage.

(b) **Fidelity Insurance.** The Association shall maintain fidelity insurance on all persons who control or disburse funds of the Association. Coverage shall not be less in the aggregate than two months' current Assessments plus reserves, as calculated from the current budget of the Association. Any person employed as an independent contractor by the Association, including the Managing Agent must obtain and maintain fidelity insurance in like amount for the benefit of the Association unless the Association names such person as an insured employee in the policy of fidelity insurance specified above.

(c) **Other Insurance.** The Board of Directors may also procure insurance against such additional risks of a type normally carried with respect to properties of comparable character and use that the Board of Directors deems reasonable and necessary in order to protect the Hotel Operation, the Association and the Condo-Hotel Unit Owners.

(d) **Condo-Hotel Unit Owners' Policies.** Each Condo-Hotel Unit Owner shall be responsible procuring and maintaining the types and amounts of insurance required under the Condominium Declaration, including insurance for the FF&E in their Condo-Hotel Unit. Each Condo-Hotel Unit Owner may obtain additional insurance at his own cost for his own benefit so long as all such policies shall contain waivers of subrogation and provide further that the liability of the carriers issuing insurance to the Association hereunder shall not be effected or diminished by reason of any such insurance carried by any Condo-Hotel Unit Owner.

14.2. **Required Provisions.** All insurance policies carried pursuant to the requirements of this Article 14 must provide that:

(a) each Condo-Hotel Unit Owner is an insured person under the policy with respect to liability arising out of such Condo-Hotel Unit Owner's membership in the Association;

(b) the insurer waives its rights to subrogation under the policy against any Condo-Hotel Unit Owner or member of his household;

(c) no act or omission by any Condo-Hotel Unit Owner, unless acting within the scope of such Condo-Hotel Unit Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;

- (d) if, at the time of a loss under the policy, there is other insurance in the name of a Condo-Hotel Unit Owner covering the risks covered by the policy, the Association's policy provides primary insurance;
- (e) any loss covered by the policies must be adjusted with the Association;
- (f) the insurance proceeds for any loss shall be payable to an insurance trustee designated for that purpose, or otherwise to the Association and not to any holder of a Security Interest;
- (g) the insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Condo-Hotel Unit Owner or holder of a Security Interest; and
- (h) the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association and any Condo-Hotel Unit Owner(s) and holder(s) of Security Interests to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

14.3. **Adjustment of Claims.** The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment.

ARTICLE 15 **MORTGAGEE PROTECTIONS**

15.1. **Notice of Actions.** If requested in writing to do so, the Association shall give prompt written notice of the following to each Eligible First Mortgagee making such request:

- (a) any condemnation loss or any casualty loss which affects a material portion of any Condo-Hotel Unit in which an interest is held by the Eligible First Mortgagee;
- (b) any delinquency in the payment of Assessments which remains uncured for sixty (60) days by a Condo-Hotel Unit Owner whose Condo-Hotel Unit is encumbered by a Security Interest held by such Eligible First Mortgagee;
- (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) any other proposed action which would require the consent of Eligible First Mortgagees as set forth in this Article; and
- (e) any judgment rendered against the Association.

15.2. **Notice of Objection.** Unless an Eligible First Mortgagee provides the Secretary of the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of Eligible First Mortgagees within thirty (30) days following the receipt of notice of such proposed amendment or action, the Eligible First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

15.3. **First Mortgagees' Cure Rights.** First Mortgagees shall be entitled to cure any delinquency of the Condo-Hotel Unit Owner encumbered by a First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

15.4. **Limitations on First Mortgagee's Rights.** No approval or consent by a First Mortgagee shall be required for the following:

- (a) Amend, modify or supplement this Declaration of other governing documents of the Association;

(b) Delegate control over the general administrative affairs of the Association by the Condo-Hotel Unit Owners or the Board of Directors; or

(c) prevent the Association or Board of Directors from commencing, intervening and/or settling any legal proceeding.

15.5. **Special Declarant Rights.** No provision or requirement of this Article 15 entitled "Mortgagee Protections" shall apply to any Special Declarant Rights reserved to Declarant in this Declaration.

ARTICLE 16
DURATION OF COVENANTS; AMENDMENT AND TERMINATION

16.1. **Term.** This Declaration and any amendments or supplements to it shall remain in effect from the date of recordation for a period of fifty (50) years. Thereafter, this Declaration shall be automatically extended for five (5) successive periods of ten (10) years each, unless otherwise terminated or modified as provided in this Article.

16.2. **Amendment of Declaration.** This Declaration may be amended as follows:

(a) **Reserved Amendment Rights.** To the extent that this Declaration expressly permits or require amendments that may be executed by the Declarant or by the Association, this Declaration may be amended by amendments executed solely by the Declarant and the Association. Declarant may execute any Amendment required or necessary to comply with secondary mortgage market and Colorado state regulatory requirements.

(b) **General Amendments.** Except as otherwise allowed or restricted by this Section 16.2, this Declaration may be amended only by a vote or agreement of both: (a) Condo-Hotel Unit Owners to which more than fifty-one (51%) of the votes in the Association are allocated; and (b) Commercial Unit Owners to which more than fifty-one (51%) of the votes in the Association are allocated

(c) **Permitted Use Amendments.** This Declaration may be amended to change the uses to which any Condo-Hotel Unit is restricted only by a vote or agreement of Condo-Hotel Unit Owners to which more than fifty-one (51%) of the votes in the Association are allocated and also by Commercial Unit Owners to which more than fifty-one (51%) of the votes in the Association are allocated. Notwithstanding anything to the contrary contained herein, no amendment to this Declaration is permitted that would in any way limit or restrict the use, operation or ownership of any of the Commercial Units without approval of one hundred percent (100%) of the owners of the Commercial Units.

(d) **Special Declarant Rights Amendments.** This Declaration may be amended to increase Special Declarant Rights, increase the number of Condo-Hotel Units or change the boundaries of any Condo-Hotel Unit or the Allocated Interest of a Condo-Hotel Unit only by a vote or agreement of Condo-Hotel Unit Owners to which more than fifty-one (51%) of the votes in the Association are allocated and also by Commercial Unit Owners to which more than fifty-one (51%) of the votes in the Association are allocated. Notwithstanding anything to the contrary contained herein, this Declaration may not be amended to limit, restrict or otherwise modify the Special Declarant Rights without the written consent of Declarant.

(e) In the event that written notice of an intent to amend this Declaration or any of the Condominium Documents requiring approval by the Condo-Hotel Unit Owners, which notice complies with this Section is sent to a Condo-Hotel Unit Owner at the current address of the Condo-Hotel Units Owner on file with the Association and the Condo-Hotel Unit Owner fails to respond by the expiration of the stated thirty day period, the Association shall count the non-responding Condo-Hotel Unit Owner of the Condo-Hotel Unit as an affirmative vote. All ballots shall be returned to the President of the Association. The notice required by this Section shall include: (a) a copy of the proposed amendment, (b) a statement that the Owner has thirty days to vote to either approve or disapprove the proposed amendment in writing and that failure to vote will result in and be deemed to be a vote in favor of the proposed amendment, and (c) reasonably clear directions on the manner and method on which the Condo-Hotel Unit Owner may vote on the proposed amendment and where to return the ballot. In the event that the Condo-Hotel Unit Owner fails to respond by the expiration of the stated thirty day period, the Association shall count the non-responding Condo-Hotel Unit Owner of the Condo-Hotel Unit as an affirmative vote. All ballots shall

be returned to the President of the Association.

16.3. **Amendment of Other Governing Documents.** The Articles of Incorporation and Bylaws of the Association shall be amended in accordance with the terms of such documents and the Colorado Revised Nonprofit Corporation Act, as subsequently amended. The Rules and Regulations may be amended by the Board of Directors.

16.4. **Execution of Amendments; Expenses.** Any amendment shall be prepared, executed and recorded either by the Declarant or by an officer of the Association designated for that purpose or, in the absence of a designation, by the President of the Association. All expenses associated with preparing and recording an amendment to this Declaration shall be the sole responsibility of: (a) any Condo-Hotel Unit Owners desiring an amendment as provided for in this Declaration; (b) the Declarant, to the extent the right to amend this Declaration is reserved to the Declarant and exercised by the Declarant; and (c) in all other cases, the Association as a Hotel Expense.

16.5. **Recording of Amendments.** Any amendment to this Declaration made in accordance with this Article 16 shall be immediately effective upon the recording of the executed amendment in the Records together with a duly authenticated certificate of the Declarant or the Secretary of the Association stating that the required vote of Condo-Hotel Unit Owners and Commercial Unit Owners, if any, were obtained and are on file in the office of the Association. The amendment must be indexed in the grantee's index in the name of the Hotel Operation and the Association and in the grantor's index in the name of each person or entity executing the Amendment.

16.6. **Termination of the Hotel Operations.** The Hotel Operation operations may only be terminated by approval of sixty-seven percent (67%) of the Condo-Hotel Unit Owners and sixty-seven percent (67%) of the Commercial Unit Owners.

ARTICLE 17 **MISCELLANEOUS**

17.1. **Enforcement.** Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the other Condominium Hotel Operations Governing Documents shall be through any proceedings at law or in equity brought by any aggrieved Condo-Hotel Unit Owner, the Association, or Declarant against the Association or any Condo-Hotel Unit Owner. Such actions may seek remedy by injunction or restraint of a violation or attempted violation, or an action for damages, or any of them, without the necessity of making an election.

17.2. **Notice.** Each Owner shall register its mailing address from time to time with the Association. Except as otherwise specifically provided in this Declaration, any notice permitted or required to be given hereunder shall be in writing and may be delivered either personally, or by facsimile transmission, by email or by mail. Notices delivered personally or sent by facsimile transmission or email shall be deemed given on the date so delivered or sent. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been posted in the first-class U.S. Mail, certified and return receipt requested, with adequate postage affixed, addressed to the receiving party at the address last registered by such party with the Association, or in the case of an Owner that has not provided such an address, to the Unit of that Owner. Notices to the Association shall be sent to such address as it may from time to time designate in writing to each Owner.

17.3. **No Dedication to Public Use.** Nothing contained in this Declaration shall be deemed to be or to constitute a dedication of all or any part of the Condominium Hotel Operations Organization to the public or to any public use.

17.4. **Safety and Security.** Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Condominium Hotel Operations Organization. The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium Hotel Operations Organization designed to promote or enhance the level of safety or security which each person provides for himself or herself and his or her property. However, the Association, the Declarant, the Affiliates of Declarant and the Managing Agent, shall not in any way be considered insurers or guarantors of safety or security within the Condominium Hotel Operations Organization, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of

security measures undertaken. No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to the Condominium Hotel Operations Organization, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing any Occupants of such Owner's Unit that the Association, its Board and committees, the Declarant, the Affiliates of Declarant and the Managing Agent are not insurers or guarantors of security or safety and that each Person within the Condominium Hotel Operations Organization assumes all risks of personal injury and loss or damage to property resulting from acts of third parties.

17.5. **Interpretation of Declaration.** The provisions of this Declaration shall be liberally construed to effectuate its purposes.

17.6. **Governing Law; Jurisdiction.** The laws of the State of Colorado shall govern the interpretation, validity, performance, and enforcement of this Declaration. Any legal action brought in connection with this Declaration shall be commenced in the District Court for San Miguel County, Colorado, and by acceptance of a deed to a Unit each Unit Owner voluntarily submits to the jurisdiction of such court. Declarant and all Unit Owners waive their right to a trial by jury in any action filed in relation to this Declaration.

17.7. **Costs and Attorneys' Fees.** In any action or proceeding involving the interpretation or enforcement of any provision of this Declaration, the substantially prevailing party shall recover its costs and expenses, including reasonable expert witness and attorneys' fees and costs incurred in connection therewith. An action shall be commenced only in a state court of competent jurisdiction located in San Miguel County, Colorado.

17.8. **Severability.** Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof. Where any provision of this Declaration is alleged to be or declared by a court of competent jurisdiction to be unconscionable, Association shall have the right by amendment to this Declaration to replace such provision with a new provision, as similar thereto as practicable but which in Association's reasonable opinion would be considered not to be unconscionable.

17.9. **Captions.** Captions given to various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof and shall not be considered in interpreting any of the provisions hereof.

17.10. **Singular Includes Plural.** Unless the context requires a contrary construction, as employed in this Declaration the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

17.11. **Nonwaiver.** Failure by Declarant, the Association, or any Condo-Hotel Unit Owner to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in the Condominium Hotel Operations Governing Documents shall in no way or event be deemed to be a waiver of the right to do so thereafter.

17.12. **Conflicts in Legal Documents.** In case of conflicts between the provisions in this Declaration and the Articles of Incorporation of the Association or the Bylaws, this Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation of the Association and the Bylaws, the Articles of Incorporation of the Association shall control.

17.13. **No Further Rights; No Third Party Rights.** Nothing contained herein shall be construed as creating any rights or interests in any third persons or parties, including the Condominium Association and the respective owners of the Penthouse Units and the Clubhouse Unit. This Declaration affects and concerns and may be enforced by or against only by Condo-Hotel Unit Owner, the Association and/or Declarant.

17.14. **Not Subject to Colorado Common Interest Ownership Act.** This Declaration is expressly not made subject to the Colorado Common Interest Ownership Act. Any similarities between this Declaration and any condominium declaration or other type of declaration that is or may be subject to the Colorado Common Interest Ownership Act are coincidental and shall not be deemed to create any interpretation that this Declaration is intended to

be, or is, subject to the Colorado Common Interest Ownership Act.

17.15. **Exhibits.** All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

List of Exhibits

Exhibit #	Name	Paragraph
CH-1	Legal Description of Subject Units	Introduction
CH-2	List of Condo Hotel Units, Square Footage and Allocated Interest	2.2
CH-3	List of Commercial Units, Square Footage and Allocated Interest	2.2
CH-4	Combined List of Condo Hotel Units, Commercial Units, Square Footage and Allocated Interest	2.2

Executed as of the Effective Date.

Telluride Resort and Spa L.L.C.,
a Delaware limited liability company

By: Peaks Capital Partners, LLC,
a Colorado limited liability company,
Its Manager

By: [Signature]
Edward D. Herrick, Jr., General Manager

Date: 3/11/11

STATE OF COLORADO)
)ss.
COUNTY OF SAN MIGUEL)

Subscribed to and sworn to before me this 11 day of March, 2011, by Edward D. Herrick, Jr., General Manager of Peaks Capital Management, LLC.

Witness my hand and official seal.

Anne M. Connor
Notary Public

My Commission Expires: 10/29/14

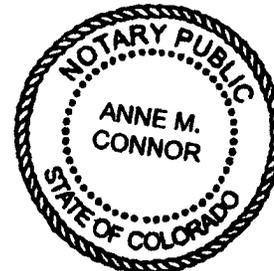


Exhibit CH-1
(Legal Description of Subject Units)

The Subject Units referred to in the Declaration consists of the following described Residential Units located in the Condominium pursuant to the Condominium Map and the Condominium Declaration, which are situated in the Town of Mountain Village, San Miguel County, Colorado:

Condo-Hotel Units: Units 201, 203, 205, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 301, 303, 305, 308, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 346, 348, 349, 350, 351, 352, 401, 403, 405, 408, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 446, 448, 449, 450, 451, 452, 501, 502, 503, 504, 505, 506, 508, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 546, 548, 549, 550, 551, 552, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 646, 648, 649, 650, 651 and 652.

Commercial Units: Commercial Units 1, 2, 3, 3a, 3b, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14.

Exhibit CH-2
(Condo-Hotel Units)

Condo Hotel Unit #	Condo Hotel Unit Square Footage	Condo Hotel Unit Allocated Interest
201	441.9	0.51%
203	447.5	0.51%
205	447.5	0.51%
211	414.5	0.47%
212	419.5	0.48%
213	414.5	0.47%
214	419.5	0.48%
215	419.5	0.48%
216	419.5	0.48%
217	419.5	0.48%
218	413	0.47%
219	420.25	0.48%
220	439.2	0.50%
221	453.4	0.52%
222	847.2	0.97%
223	847.2	0.97%
301	443	0.51%
303	457	0.52%
305	452	0.52%
308	467	0.53%
310	418	0.48%
311	412	0.47%
312	414	0.47%
313	412	0.47%
314	414	0.47%
315	418	0.48%
316	419	0.48%
317	415	0.48%
318	499	0.57%
319	419	0.48%
320	409	0.47%
321	454	0.52%
322	824	0.94%
323	827	0.95%
325	432	0.49%
326	418	0.48%
327	417	0.48%
328	415	0.48%
329	413	0.47%

330	413	0.47%
331	790	0.90%
332	419	0.48%
333	415	0.48%
334	842	0.96%
335	420	0.48%
336	416	0.48%
337	414	0.47%
338	418	0.48%
339	414	0.47%
340	414	0.47%
341	419	0.48%
342	423	0.48%
343	475	0.54%
344	640	0.73%
346	848	0.97%
348	420	0.48%
349	413	0.47%
350	411	0.47%
351	825	0.95%
352	827	0.95%
401	461	0.53%
403	454	0.52%
405	453	0.52%
408	459	0.53%
410	415	0.48%
411	411	0.47%
412	411	0.47%
413	411	0.47%
414	413	0.47%
415	417	0.48%
416	420	0.48%
417	417	0.48%
418	501	0.57%
419	418	0.48%
420	406	0.47%
421	448	0.51%
422	822	0.94%
423	822	0.94%
425	436	0.50%
426	418	0.48%
427	418	0.48%
428	412	0.47%

429	413	0.47%
430	410	0.47%
431	794	0.91%
432	418	0.48%
433	421	0.48%
434	835	0.96%
435	420	0.48%
436	416	0.48%
437	413	0.47%
438	413	0.47%
439	415	0.48%
440	413	0.47%
441	418	0.48%
442	417	0.48%
443	475	0.54%
444	639	0.73%
446	837	0.96%
448	419	0.48%
449	407	0.47%
450	413	0.47%
451	829	0.95%
452	831	0.95%
501	467	0.53%
502	427	0.49%
503	453	0.52%
504	415	0.48%
505	460	0.53%
506	403	0.46%
508	497	0.57%
510	418	0.48%
511	413	0.47%
512	414	0.47%
513	411	0.47%
514	413	0.47%
515	417	0.48%
516	416	0.48%
517	414	0.47%
518	500	0.57%
519	411	0.47%
520	413	0.47%
521	451	0.52%
522	827	0.95%
523	835	0.96%

525	435	0.50%
526	420	0.48%
527	418	0.48%
528	413	0.47%
529	413	0.47%
530	407	0.47%
531	792	0.91%
532	418	0.48%
533	423	0.48%
534	840	0.96%
535	418	0.48%
536	416	0.48%
537	413	0.47%
538	412	0.47%
539	413	0.47%
540	414	0.47%
541	418	0.48%
542	416	0.48%
543	476	0.55%
544	636	0.73%
546	842	0.96%
548	418	0.48%
549	413	0.47%
550	414	0.47%
551	823	0.94%
552	822	0.94%
625	434	0.50%
626	419	0.48%
627	416	0.48%
628	413	0.47%
629	412	0.47%
630	411	0.47%
631	794	0.91%
632	416	0.48%
633	417	0.48%
634	837	0.96%
635	411	0.47%
636	418	0.48%
637	412	0.47%
638	412	0.47%
639	413	0.47%
640	413	0.47%
641	417	0.48%

642	416	0.48%
643	475	0.54%
644	638	0.73%
646	862	0.99%
648	416	0.48%
649	415	0.48%
650	416	0.48%
651	822	0.94%
652	820	0.94%
TOTAL	87,299.65	100.00%

**Exhibit CH-3
(Commercial Units)**

Commercial Unit #	Commercial Unit Square Footage	Commercial Unit Allocated Interest
1 (clubhouse)	n/a	n/a
2	2,856	3.84%
3	3,474	4.67%
3a	1,448	1.95%
3b	595	0.80%
4	41,790	56.15%
5	2,626	3.53%
6	8,761	11.77%
7	3,785	5.09%
8	3,976	5.34%
9	848	1.14%
10	732	0.98%
11	1,330	1.79%
12	1,573	2.11%
13	425	0.57%
14	207	0.28%
TOTAL	74,426	100.00%

Exhibit CH-4
(Condo-Hotel Units and Commercial Units)

Condo Hotel Unit #	Condo Hotel Unit Square Footage	Condo Hotel Unit Allocated Interest
201	441.9	0.27%
203	447.5	0.28%
205	447.5	0.28%
211	414.5	0.26%
212	419.5	0.26%
213	414.5	0.26%
214	419.5	0.26%
215	419.5	0.26%
216	419.5	0.26%
217	419.5	0.26%
218	413	0.26%
219	420.25	0.26%
220	439.2	0.27%
221	453.4	0.28%
222	847.2	0.52%
223	847.2	0.52%
301	443	0.27%
303	457	0.28%
305	452	0.28%
308	467	0.29%
310	418	0.26%
311	412	0.25%
312	414	0.26%
313	412	0.25%
314	414	0.26%
315	418	0.26%
316	419	0.26%
317	415	0.26%
318	499	0.31%
319	419	0.26%
320	409	0.25%
321	454	0.28%
322	824	0.51%
323	827	0.51%
325	432	0.27%
326	418	0.26%
327	417	0.26%
328	415	0.26%

329	413	0.26%
330	413	0.26%
331	790	0.49%
332	419	0.26%
333	415	0.26%
334	842	0.52%
335	420	0.26%
336	416	0.26%
337	414	0.26%
338	418	0.26%
339	414	0.26%
340	414	0.26%
341	419	0.26%
342	423	0.26%
343	475	0.29%
344	640	0.40%
346	848	0.52%
348	420	0.26%
349	413	0.26%
350	411	0.25%
351	825	0.51%
352	827	0.51%
401	461	0.29%
403	454	0.28%
405	453	0.28%
408	459	0.28%
410	415	0.26%
411	411	0.25%
412	411	0.25%
413	411	0.25%
414	413	0.26%
415	417	0.26%
416	420	0.26%
417	417	0.26%
418	501	0.31%
419	418	0.26%
420	406	0.25%
421	448	0.28%
422	822	0.51%
423	822	0.51%
425	436	0.27%
426	418	0.26%
427	418	0.26%

428	412	0.25%
429	413	0.26%
430	410	0.25%
431	794	0.49%
432	418	0.26%
433	421	0.26%
434	835	0.52%
435	420	0.26%
436	416	0.26%
437	413	0.26%
438	413	0.26%
439	415	0.26%
440	413	0.26%
441	418	0.26%
442	417	0.26%
443	475	0.29%
444	639	0.40%
446	837	0.52%
448	419	0.26%
449	407	0.25%
450	413	0.26%
451	829	0.51%
452	831	0.51%
501	467	0.29%
502	427	0.26%
503	453	0.28%
504	415	0.26%
505	460	0.28%
506	403	0.25%
508	497	0.31%
510	418	0.26%
511	413	0.26%
512	414	0.26%
513	411	0.25%
514	413	0.26%
515	417	0.26%
516	416	0.26%
517	414	0.26%
518	500	0.31%
519	411	0.25%
520	413	0.26%
521	451	0.28%
522	827	0.51%

523	835	0.52%
525	435	0.27%
526	420	0.26%
527	418	0.26%
528	413	0.26%
529	413	0.26%
530	407	0.25%
531	792	0.49%
532	418	0.26%
533	423	0.26%
534	840	0.52%
535	418	0.26%
536	416	0.26%
537	413	0.26%
538	412	0.25%
539	413	0.26%
540	414	0.26%
541	418	0.26%
542	416	0.26%
543	476	0.29%
544	636	0.39%
546	842	0.52%
548	418	0.26%
549	413	0.26%
550	414	0.26%
551	823	0.51%
552	822	0.51%
625	434	0.27%
626	419	0.26%
627	416	0.26%
628	413	0.26%
629	412	0.25%
630	411	0.25%
631	794	0.49%
632	416	0.26%
633	417	0.26%
634	837	0.52%
635	411	0.25%
636	418	0.26%
637	412	0.25%
638	412	0.25%
639	413	0.26%
640	413	0.26%

641	417	0.26%
642	416	0.26%
643	475	0.29%
644	638	0.39%
646	862	0.53%
648	416	0.26%
649	415	0.26%
650	416	0.26%
651	822	0.51%
652	820	0.51%
Commercial Unit #	Commercial Unit Square Footage	Commercial Unit Allocated Interest
1 (clubhouse)	n/a	n/a
2	2,856	1.77%
3	3,474	2.15%
3a	1,448	0.90%
3b	595	0.37%
4	41,790	25.84%
5	2,626	1.62%
6	8,761	5.42%
7	3,785	2.34%
8	3,976	2.46%
9	848	0.52%
10	732	0.45%
11	1,330	0.82%
12	1,573	0.97%
13	425	0.26%
14	207	0.13%
TOTAL	161,725.65	100.00%

DENSITY BANK SPREADSHEET

CERTIFICATE NUMBER	ORIGINAL ASSIGNED LOT	TYPE	ACTUAL UNITS	PERSON EQUIVALENTS	OWNER	MAILING ADDRESS
1	10	CONDO	1	3	Huschke Family Trust	100 Aspen Ridge Drive, Mountain Village, CO 81435
2	28	CONDO	0.17	0.5	KWB Telluride LLC	3915 E BROADWAY BLVD STE 301, TUCSON, AZ 85711
3	71R	CONDO	0.33	1	Telco	565 Mountain Village Boulevard, Telluride CO 81435
4	109R	CONDO	0.25	0.75	MV Colorado Development Partners LLC	1413 E 15th Street, Plano, TX 75074
5	128	CONDO	1	3	Peaks Penthouse 14 LLC	560 Mountain Village Blvd., Suite 102A, Mountain Village, CO 81435
6	129	CONDO	0.667	2	TSG Ski & Golf	565 Mountain Village Boulevard, Telluride CO 81435
7	161A & 161D	CONDO	90	270	TSG Assests Holding	565 Mountain Village Boulevard, Telluride CO 81435
8	163	CONDO	1	3	Mortia Properties	18045 US HWY 331 S, Freeport, FL 32439
9	170R	SFR	1	4	Prospect Creek LTD	636 West Ferndale Road, Wayzata, MN 55391
10	207BR	SFR	0.5	2	Stanley and Elizabeth Cates	c/o Southeastern Asset Management, 6410 Poplar Ste 900, Memphis, TN 38119
11	208BR	SFR	0.5	2	Lloyde and Camille Denton	11 Lynn Batts Lane Ste 100, San Antonio, TX 78218
12	223B	SFR	1	4	Kathleen Fisher	299 Park Avenue, New York, NY 10017
13	231BR	SFR	0.5	2	James and Carol Royer	1000 Uptown Park Blvd, 200, Houston, TX 77056
14	231BR	SFR	0.5	2	Robert and Jane Thomas	2358 Tavern Road, Unit A, Alpine, CA 91901
15	249B	SFR	1	4	Wynn Elliott	1603 Glen Oaks Drive, West Des Moines, IA 50266
16	251B	SFR	1	4	David Mazess	63970 Tyler Road, Bend, OR 97701
17	255B	NON-SUB	0.38	2.5	Audrey Marnoy	15702 Creek Bend Drive, Sugar Land, TX 77478
18	263AB	SFR	1	4	Yellow Brick Road CO, LLC	P.O. Box3081, Telluride, CO 81435
19	335	SFR	1	4	KM Telluride Trust	Attn: Kindel and Kosberg, 16055 Ventura Blvd. Ste 535, Encino, CA 91436
20	1006	LODGE	1	0.75	TMVOA	113 Lost Creek Lane, Ste A, Mountain Village CO 81435
21	161CR	CONDO	21.5	64.5	Lot 161CR Mountain Village LLC	1271 Avenue of the Americas, New York, NY 10020
	161CR	LODGE	22	16.5	Lot 161CR Mountain Village LLC	1271 Avenue of the Americas, New York, NY 10020
	161CR	EFF LODGE	52.75	23.375	Lot 161CR Mountain Village LLC	1271 Avenue of the Americas, New York, NY 10020
22	161CR	CONDO	6	18	JE Telluride Partners LLC	1211 E. 15th Street, Plano, TX 75074
23	59R	CONDO	1.66	5	Thomas F. Gaffney	2091 Ocean View Drive, Tierra Verde, FL 33715
	600B	CONDO	9.33	28	Thomas F. Gaffney	2091 Ocean View Drive, Tierra Verde, FL 33715
24	59R	CONDO	2	6	Jim Crowder and Scott Woodard	3445 Penrose Place, Suite 240, Boulder, CO 80301
25	Ski Resort -Plunge, Lift	EMP. APT	5	15	TSG Assests Holding	565 Mountain Village Boulevard, Telluride CO 81435
26	SS6A	SFR	1	4	MV Colorado Development Partners LLC	1413 E 15th Street, Plano, TX 75074
27	645	EMP COND	13	39	Town of Mountain Village	455 Mountain Village Blvd, Ste A Mountain Village CO 81435
28	161A&D	CONDO	5.917	17.75	Coonskin Ridge Cabin Lot, LLC	15 Davis Dr. Saginaw MI 48602
29	SS6B	SFR	1	4	Richard & Anna Teerlink	1765 Wedgewood Drive West, Elm Grove WI 53122
30	166AR	Condo	11.33	34	Morita Properties	18045 US HWY 331 S, Freeport, FL 32439
31	600B	CONDO	2	6	Realty Management Group	c/o Greg Wolf 3033 East First Ave., Ste 210, Denver, CO 80206
32	17	EMP. APT	1	3	John E. Williams	8441 Golf Freeway, Houston TX 77017
33	321	CONDO	0.33	1	John Horn	P.O. Box 482, Telluride CO 81435
Total Density			259.614	603.625		



Agenda Item 12.

To: Town Council

From: Kim Montgomery

Re: Intergovernmental Agreement Amended and Restated Joint Service Facility Between the Town of Mountain Village (“Town”), Mountain Village Metropolitan District (“MVMD”) and Telluride Fire Protection District (“TFPD”)

Date: July 22, 2015

In 1999, MVMD, Town and TFPD entered into a joint facility agreement (subsequently amended and restated in 2000) for the construction and ownership of a joint service facility located at 411 Mountain Village Blvd. MVMD was subsequently dissolved and merged into the Town and their ownership interests were assigned to the Town. This facility is referred to both as the Fire Station and Municipal Building. The parties wished to construct a joint facility by expanding the fire station building on the TFPD property. Construction of the joint facility was completed in 2000. Each entity has an undivided ownership interest in the facility as follows:

TFPD	54%
Town	46%

As part of the amended and restated agreement, TFPD was given an option to reallocate the third floor office space, which was at the time an exclusive facility of the Town, to an exclusive facility of TFPD with a two year interval from any such notice to the effective date of the transfer and required payment by TFPD. The agreement set forth an initial purchase price of \$234,759 plus a five percent annual increase from September 2000 until possession of the space is transferred to TFPD. In September of 2013, TFPD noticed their intent to exercise the option to reallocate the third floor office space to an exclusive TFPD facility.

The 1,506 square feet of office space on the third floor of the facility is occupied by the following staff:

Chris Colter – Transportation and Parking Director
Rob Johnson – Transportation and Parking Manager
Ron Cheroske – GIS/CAD Technician
J. D. Wise – Plaza and Environmental Services Manager
Gondola Staff/Plaza and Environmental Services Meeting Space
Alexa Child – temporary intern space for J.D. Reed’s office

This space is fully utilized, except for the temporary intern space which is currently being utilized during the summer of 2015.

In discussion with TFPD, they have indicated that they exercised their option in 2013 to put an end to the 5% escalator as they did not believe that the actual value of the space was appreciating at that rate. They do not currently have a need for the additional space but likely will once the Medical Center is complete. The Town does have a need for the space until such time as, most likely, a remodel of the Town Shop is

designed, priced and built to accommodate the staff currently housed on the third floor of the Municipal Building. Town would also most likely utilize the funds from TFPD's purchase of the third floor for this remodel. Staff of both TFPD and the Town wished to discuss a mutually agreeable solution to allow Town staff to remain in place until such time as TFPD had a need for the space. It seemed logical to allow Town staff to stay in the facility rent free during a period of three to five years while at during that same time removing the 5% escalator and payment requirement by TFPD. Rent at fair market was estimated at anywhere from \$20 to \$30 per square foot triple net or approximately \$30,000 to \$45,000 per year. The 5% escalator on the current purchase price is approximately \$21,000 per year (although this grows annually as the purchase price escalates). This seems like a winning solution for each party, allowing the Town to stay put and not spend down the capital revenue for a future remodel on rent and relieving TFPD from a continually escalating purchase price.

Depending upon the desire of the Council, TFPD is either prepared to purchase the property in September at the full purchase price and then rent the space back to the Town or enter into the amendment attached hereto suspending the 5% escalator and allowing the Town to continue to occupy the third floor rent free.

FIRST AMENDMENT TO THE
AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT
FOR THE CONSTRUCTION AND OWNERSHIP
OF A JOINT SERVICE FACILITY

This First Amendment to the Amended and Restated Intergovernmental Agreement (this “Amendment”) is made and entered into this ___ day of August, 2015, by and between Telluride Fire Protection District, a special district organized under the laws of the State of Colorado (the “Fire District”) and the Town of Mountain Village, Colorado, a home rule municipal corporation organized under the laws of the State of Colorado (the “Mountain Village”).

RECITALS

WHEREAS, the Fire District, the Mountain Village and the Mountain Village Metropolitan District (the “Metro District”) (now merged into the Mountain Village) entered into the Intergovernmental Agreement for the Construction and ownership of a Joint Service Facility, effective August 18, 1999 (the “Original Agreement”); and

WHEREAS, the Fire District, the Metro District, and the Mountain Village entered into the Amended and Restated Intergovernmental Agreement for the Construction and Ownership of a Joint Service Facility, effective September 27, 2000 (the “Amended and Restated Agreement”); and

WHEREAS, the Amended and Restated Agreement in Article XII(C) provides for an option to the Fire District to reallocate the third floor of the Joint Facility. Article XII(C) specifically states:

“The Fire District shall have a continuing option to reallocate the third floor office space, currently allocated as an Exclusive Facility of Mountain Village, to an Exclusive Facility of the Fire District. Such option shall not be exercised prior to five years from the date of this Amendment, and only after providing at least two years prior written notification to Mountain Village. The governing bodies of the Joint Venturers shall hold a joint meeting the first week of September annually, to discuss operation of the Joint Facility, and any notice of the Fire District’s exercise of it [sic] option shall be provided at such meeting. The first opportunity for Fire District to exercise its option to reallocate the third floor leased space shall occur in the September, 2003, joint meeting, with possession of transferring to Fire District in September, 2005. Upon taking possession of the third floor office space as an Exclusive Facility pursuant to exercising its option, the Fire District shall pay Mountain Village Two Hundred Thirty-Four Thousand Seven Hundred Fifty-Nine dollars (\$234,759.00), plus a five percent (5%) annual increase from the date of this Agreement until possession of the space is transferred to the Fire District.”, and

WHEREAS, in September, 2013, the Fire District exercised its option to reallocate the third floor office space (in accordance with the above Article XII(C)) (the "Office Space"). As a result thereof and in accordance with Article XII(C), a payment of \$488,047.00 is due and payable from the Fire District to the Mountain Village in September, 2015 (the "Consideration"), and

WHEREAS, the Fire District does not have a current need to occupy the Office Space until the Telluride Medical Center is constructed, and

WHEREAS, the Mountain Village does currently occupy the Office Space and does have a need to continue to occupy the Office Space until such time as the remodel of the Mountain Village Shop is designed, priced and built to accommodate the Mountain Village staff currently housed in the Office Space, and

WHEREAS, the Mountain Village and the Fire District wish to accommodate each other's needs by amending the Amended and Restated Agreement to allow the Mountain Village to continue to occupy the Office Space for a stated period of time and to defer the payment of the Consideration by the Fire District until such time as the Fire District takes possession of the Office Space.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the parties agree to this First Amendment as follows.

1. Article XII(C) of the Amended and Restated Agreement is hereby deleted in its entirety and is restated as follows:

"Option to Reallocate Third Floor. The Fire District and the Mountain Village acknowledge and agree that the Fire District has exercised its option to reallocate the third floor Office Space as provided in the original Article XII(C) of the Amended and Restated Agreement. Notwithstanding the exercise of the option, the Mountain Village shall maintain possession of the Office Space free from the payment of any rent for a period of not less than three (3) years from September 1, 2015, nor more than five (5) years from said date. Payment of the Consideration from the Fire District to the Mountain Village shall be deferred so long as the Mountain Village occupies the Office Space. Upon vacation of the Office Space by the Mountain Village, which by the terms of this Agreement shall not be less than three (3) years, the Fire District shall immediately remit payment of the Consideration. At any time after the expiration of two years from September 1, 2015, either party may, on September 1st of the then current year provide written notice of termination of the Mountain Village's occupancy of the Office Space, whereupon such occupancy shall terminate twelve (12) months from the date of such written notice of termination. Upon the expiration of such twelve-month period, the Mountain Village shall vacate the Office Space, and the Fire District shall remit the Consideration to the Mountain Village. In no event shall the Mountain Village's occupancy and the Fire District's deferred Consideration payment extend beyond September 1, 2020."

2. Except as specifically amended in Paragraph 1 above, to the extent the same remain applicable, all other terms and conditions of the Amended and Restated Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

TOWN OF MOUNTAIN VILLAGE, a
Colorado home rule municipality

By: _____
Dan Jansen, Mayor

ATTEST:

By: _____
Jackie Kennefick, Town Clerk

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by Dan Jansen, as Mayor, and Jackie Kennefick, as Town Clerk, of the Town of Mountain Village, a Colorado home rule municipality.

Witness my hand and official seal.
My Commission expires: _____

SEAL

Notary Public

Signatures continued on next page.

TELLURIDE FIRE PROTECTION DISTRICT, a Colorado special district

By: _____, President

ATTEST:

By: _____, Secretary

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, as President, and _____, as Secretary, of the Telluride Fire Protection District, a Colorado special district.

Witness my hand and official seal.
My Commission expires: _____

SEAL

Notary Public

**Town of Mountain Village
HUMAN RESOURCES DEPARTMENT
Biannual Report to Town Council
February 2015 - July 2015**

The Town of Mountain Village is dedicated to providing exceptional facilities, services and opportunities, in partnership with the community, which will enhance the quality of life for our residents, homeowners, employees, and guests.

HUMAN RESOURCES STAFF:

Sue Kunz, HR Director
Corrie McMills, HR Coordinator

SUMMARY

- Employee Recreation day is Aug. 19th
- 2015 Employee satisfaction survey showed that 80% of respondents are either satisfied or very satisfied with their employment with the town
- Workers' compensation modifier rate is the lowest it has been in ten years (0.83)
- Mountain Village was recognized at CML in Breckenridge on June 17th with the *Loss Prevention Award* as one of the members with the highest loss control audit score and lowest loss ratio.
- Internal compensation study is being conducted in-house
- Succession planning underway: 44% of town employees are currently age 50 or over
- Effective 1/1/2015, seasonal employees starting wage is \$14.00/hr. + \$1.00/hr. end of season bonus + season ski pass.
- Seasonal employees that work more than 1560 hours/year are eligible for health insurance benefits, effective 1/1/2016.

• CIRSA	Colorado Intergovernmental Risk Sharing Agency (property / casualty insurance)
• DOT	Department of Transportation
• EAP	Employee Assistance Program
• PERA	Colorado Public Employees Retirement Association (in lieu of social security)
• Pinnacol	Workers compensation carrier

DEPARTMENT GOALS

1. Administer and enforce town policies & federal regulations
2. Assure compliance with DOT drug & alcohol policies
3. Operate the department in an environmentally sustainable and sensitive manner including the responsible use of electricity, natural gas, fuel, paper, water, and chemicals
4. Prepare and stay within the HR department's approved budget. Actively seek opportunities to optimize financial costs and investments when making decisions
5. Maintain accurate personnel files in compliance with the Colorado Retention Schedule and ensure accurate information for payroll
6. Assist management with timely and lawful recruitment processes to maintain proper staffing levels
7. Respond to employee issues and concerns
8. Oversee the Safety Committee, workers compensation, and safety programs to minimize workplace injuries
9. Provide attractive compensation and benefits package to retain high-performing, well-qualified employees
10. Coordinate staff training, performance reviews & staff development opportunities

PERFORMANCE MEASURES

1. Policies
 - **Employee Handbook updated and approved by town council on February 19, 2015**
 - **Medical Care Act- Section 6065 reporting requirements effective 1/1/2016**

- **FMLA definition of spouse: Workers in legal, same-sex marriages, regardless of where they live, will now have the same rights as those in opposite-sex marriages to FMLA leave (Family Medical Care Act)**
 - **HB 13-1222, Family Care Act expands the group of family members that employees can take family leave to care for to include civil-union partners and domestic partners**
2. Drug testing compliance. Complete pre-employment testing for all new hires; ensure random, reasonable suspicion and post-accident testing is completed in compliance with the DOT and non-DOT policies; conduct required training for employees and supervisors.
- **Four positive pre-employment tests for marijuana in May**
 - **All required drug testing and reporting is current.**
 - **Required training is completed.**
 - **DOT Effects of Drugs & Alcohol - May 18-19, 2015**
 - **DOT Reasonable Suspicion Supervisor Training – May 20, 2015**
 - **Drug & Alcohol Policy- Safety Sensitive Employees updated and approved by council on February 19, 2015**
 - **Drug & Alcohol Policy – Non-Safety Sensitive Employees updated and approved by council on February 19, 2015**
3. Environment.
- **Forms, applications, policies, handbooks are all available electronically significantly reducing paper.**
 - **HR Insider Newsletter includes Environmental Tips for the workplace.**
4. Budget
Implemented new background check service through HireRight to further reduce recruiting costs.
5. Personnel files
Employee files are current. New hire packets are completed on or before the first day of employment. Personnel files scanned into Ultipro as appropriate according to state retention schedule.
6. Recruitment & Retention

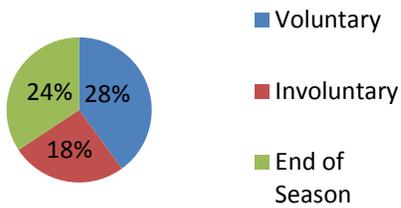
Turnover rates

Gondola Operators

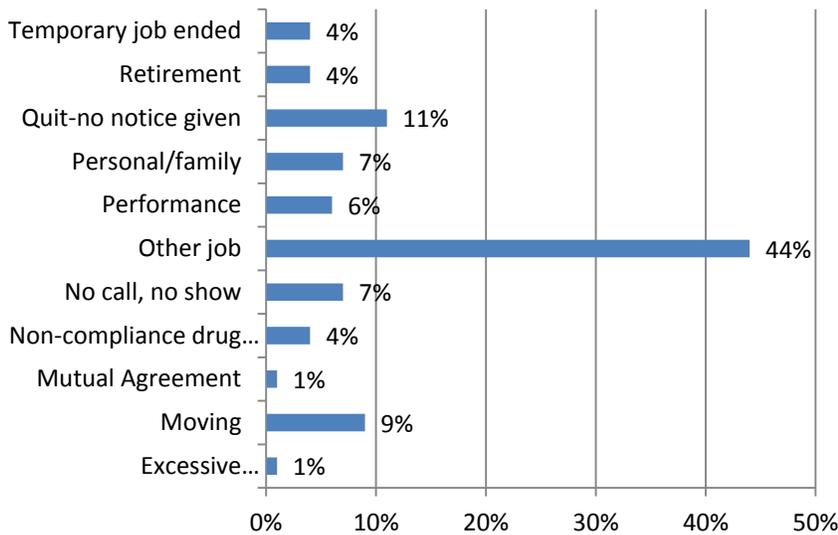
	Seasonal	FTYR	Total	
Winter 2014-15	4	2	6	12%
Summer 2014	15	3	18	46%
Winter 2013-14	7	1	8	21%
Summer 2013	12	2	14	43%

All Regular, full time employees	
2014	15%
2013	21%
2012	19%

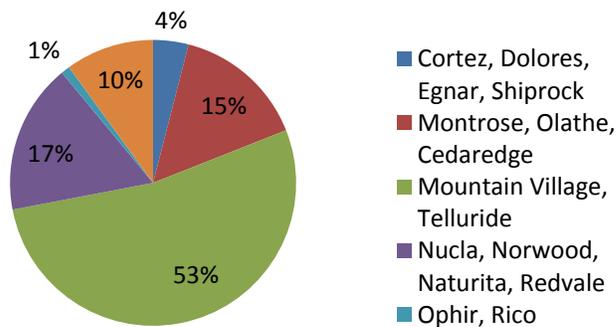
Reasons for Termination 01/01/2014 - 12/31/2014



Reasons for Termination



Commuting Employees



Succession Planning

- 44% of current full time, year round employees are age 50 or over

Age Group	Count	Percentage
Over 65	= 2 employees	(2%)
Ages 60-64	=11 employees	(10%)
Ages 50-59	=35 employees	(32%)
Ages 40-49	=22 employees	(20%)
Ages 30-39	=21 employees	(19%)
Ages 20-29	=18 employees	(17%)

7. Respond to employee issues and concerns.

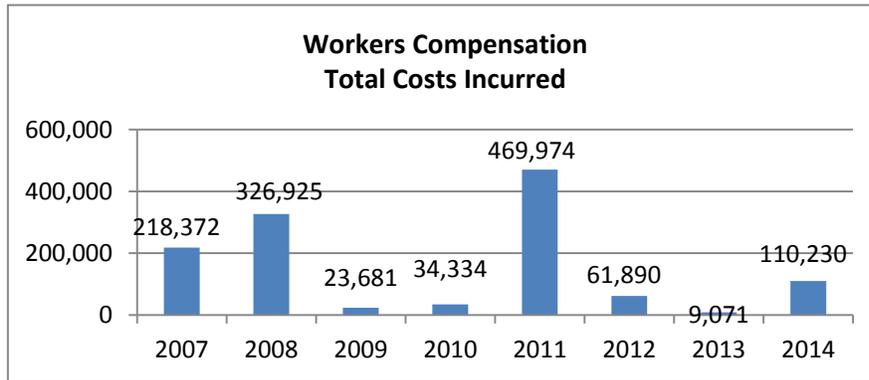
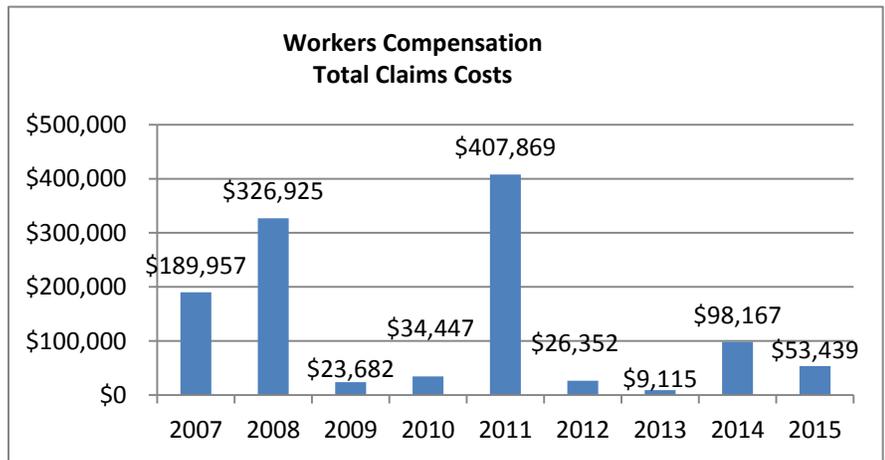
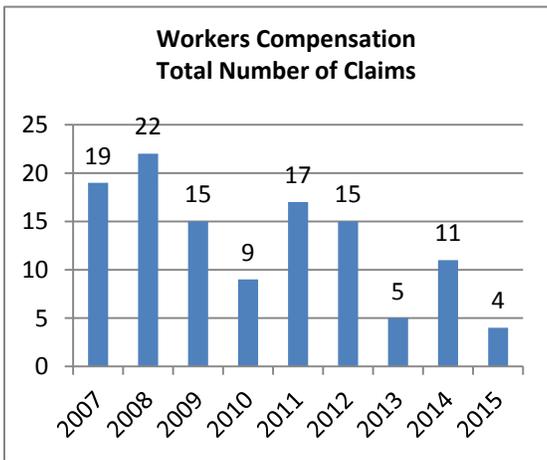
Maintain a workforce that is generally satisfied with benefits, compensation, training, equity and the quality of life (Goal: annual employee satisfaction survey results of 70% satisfied)

- **2015 Employee satisfaction survey showed that 80% of respondents are either satisfied or very satisfied with their employment with the town.**

8. **Safety.** Oversee the Safety Committee & monthly meetings, safety reporting, loss control and safety programs to minimize injuries and the loss of property; process workers compensation claims within 48 hours; promote safety incentives for a safety free workplace (to include 1-year accident free awards, team safety bucks, & lottery tickets); utilize the return-to-work program after injuries, oversee quarterly safety newsletter "Mountain Village Matters".

- **CIRSA audit (property/casualty insurance). Mountain Village was recognized at CML in Breckenridge on June 17th with the Loss Prevention Award as one of the members with the highest loss control audit score and lowest loss ratio.**

Accident/ Incident Investigation Process



9. **Salary & Benefits Administration.** Provide attractive compensation and benefits package to retain high-performing, well-qualified employees; assist employees in the utilization of benefit programs; annual review of compensation and benefits and look to reduce benefit expenses; continue to develop the wellness reimbursement plan; coordinate employee functions and appreciation incentives.

See Compensation Study

10. Training & Staff Development

Recognition:

Great Service Awards awarded monthly

Annual Employee appreciation picnic @ the Ridge Club – July 22, 2015

5 Year Awards: Whitney Harris, Randy Kee, Michael Pierce, & Sterling Spor

10 Year Awards: Hector Delgado, Dany Ramirez

15 Year Awards: Chris Broady, Nolan Merrill

20 Year Awards: Ron Cheroske, Kathy Smith, Jane Marinoff

Environment Award: George Davis

Safety Award: Ed Gleason

Annual Great Service Award: Pat Drew

Employee Recreation Day- Aug. 19, 2015 allows employees to participate in Mountain Village recreational opportunities to include disc golf, fly fishing, hiking, biking, paddle tennis...

Employee Development Opportunities:

Summer Season- Employee Orientation- May 18-19, 2015

PERA Benefit Information Meeting – March 25, 2015

PERA Retirement Process Meeting – March 25, 2015

Performance Reviews:

Annual performance reviews for all full time, year round employees are conducted in December.

90 Day performance reviews for all new supervisors

End of season performance reviews for all seasonal employees conducted in March and October.



**TOWN OF MOUNTAIN VILLAGE
TOWN MANAGER
CURRENT ISSUES AND STATUS REPORT
August 2015**

1. Great Services Award Program

- **Annual Great Services Award:**
 - **WINNER - Pat Drew** – awarded employee of the year at the July Employee Appreciation Picnic. Pat assists every department whenever needed including assisting with wetland delineations, conducting free CPR courses for employees, participating on the safety committee, helping facility maintenance by climbing ladders to place LED lightbulbs in locations they could not reach, etc. Pat is an incredible member of our team and an asset to the organization.

2. Medical Center

- Public comment period relative to the wetland permit application is underway and will conclude on September 7th. We will respond to any comments made during this period and then the Army Corps will review and administer issuance of a permit

3. TSG Completed Items

- TSG issued an easement allowing the Town to construct a staircase outside the Angle Station to more safely move our employees from the various levels of the Angle Station

4. Budget Preparation

- Kevin Swain, Julie Vergari and I met with each department head individually to review and comment on the first draft of the revised 2015 and proposed 2016 budget
- A Council goal setting worksession will be conducted at the August 20th Council meeting. A first draft of the overall budget will be rolled out to Council at the September Council meeting.

5. Regional Transportation Authority (“RTA”)

- Attended a special Intergovernmental Meeting (“IG”) to discuss moving forward with Telluride, San Miguel County and Mountain Village with the formation of a RTA. Next steps from this meeting will include Telluride discussing the draft Intergovernmental Agreement (“IGA”) at their August Council meeting and trying to define the issues they may have with the document and concepts. Both San Miguel County and Mountain Village voted favorably on the IGA but declined to proceed to the ballot without Telluride’s participation.

- A follow up meeting to the special IG is likely to occur in September where we can discuss the results of the Doppelmayer report regarding the needs for capital repair or replacement of the gondola post 2027. Once we have the report and have reviewed internally and with TMVOA, a date for the follow up meeting will be scheduled

6. Director of Planning & Development Services

- Conducted preliminary and final interviews of candidates for this position
- Unanimous agreement was reached to select Glen Van Nimwegen. Glen accepted the position and will start on August 24th

7. Miscellaneous

- Annual Employee Appreciation Picnic was held on July 22nd with great attendance and participation
- Continue to meeting weekly with Planning and Development Department (formerly known as Community Development) to ensure Jim Mahoney and I are up to speed on the current projects, workloads and responsibilities prior to Chris Hawkins' departure. We will continue to participate in these weekly meetings until Glen has had time to get his bearings and then will likely reduce our attendance to monthly
- Continue to meet regularly with all parties relative to the Settlement Agreement for the Gondola Plaza Parking Condominium Association ("GPPCA") to coordinate improvements to Sunset Plaza contemplated to commence in the spring of 2016
- Staff coordinated and conducted a Council orientation for new Council members in early July
- Attended a multi-jurisdictional meeting to discuss the future of dispatch services for the region. A number of jurisdictions are requesting that the current provider, Montrose County, form a board consisting of representatives of the users of the service which has the authority to make decisions, including budget adoption, rather than the current organization which leaves all authority in Montrose County's hands

TOWN OF MOUNTAIN VILLAGE
COMPENSATION PLAN
FY2016

History

1. Public Sector Personnel Consultants (PSPC) completed a formal compensation study in 2008 which included:

- Updating job descriptions
- Review of classification allocations
- Staffing needs assessment
- External compensation surveys
- Development of salary range assignments
- Calculation of fiscal impacts
- Review of performance evaluation methods

2. **Comparator Employers**

The following group of agencies was used when comparing similar positions/salaries:

Aspen, Avon, Breckenridge, Crested Butte, Jackson WY, Park City UT, Snowmass, Steamboat, Telluride, & Vail.

3. The town adopted the following policy:

It is the policy of the Town of Mountain Village to place its salary range assignment for job classes at 100% of the prevailing rates (+/-5%) paid for similar occupations by the public and private employers with whom we compete for high quality staff, if financially able, based on the non-weighted rates of the designated comparator employers.

4. A Permanent Salary Range Table was created (TABLE 1).
 Every position was assigned to a salary grade based on the average prevailing rate of comparator employers.

TABLE 1 2016 Permanent Salary Range Table							
Salary Grade	Annual Minimum	Annual Midpoint	Annual Maximum	Salary Grade	Annual Minimum	Annual Midpoint	Annual Maximum
80	117,199	137,712	158,225	45	49,384	58,028	66,671
79	114,340	134,353	154,365	44	48,180	56,612	65,045
78	111,552	131,077	150,601	43	47,005	55,232	63,458
77	108,831	127,880	146,927	42	45,857	53,885	61,908
76	106,176	124,760	143,343	41	44,737	52,570	60,396
75	103,587	121,718	139,848	40	43,646	51,286	58,925
74	101,060	118,749	136,437	39	42,583	50,037	57,490
73	98,595	115,853	133,109	38	41,545	48,817	56,087
72	96,191	113,027	129,862	37	40,532	47,626	54,720
71	93,844	110,270	126,695	36	39,544	46,465	53,385
70	91,556	107,581	123,605	35	38,581	45,333	52,085
69	89,323	104,957	120,591	34	37,639	44,226	50,813
68	87,144	102,397	117,649	33	36,720	43,147	49,574
67	85,019	99,900	114,780	32	35,823	42,094	48,363
66	82,945	97,463	111,979	31	34,950	41,068	47,184
65	80,921	95,085	109,248	30	34,097	40,066	46,033
64	78,948	92,766	106,584	29	33,266	39,089	44,911
63	77,022	90,504	103,984	28	32,454	38,135	43,815
62	75,144	88,297	101,449	27	31,663	37,205	42,747
61	73,311	86,143	98,973	26	30,891	36,298	41,705
60	71,523	84,042	96,560	25	30,138	35,413	40,687
59	69,778	81,992	94,205	24	29,120	34,549	39,695
58	68,076	79,992	91,906	23	28,685	33,706	38,727
57	66,416	78,041	89,666	22	27,985	32,884	37,781
56	64,796	76,137	87,478	21	27,302	32,081	36,860
55	63,216	74,281	85,345	20	26,636	31,299	35,962
54	61,674	72,469	83,263	19	25,987	30,536	35,084
53	60,169	70,701	81,231	18	25,354	29,791	34,229
52	58,702	68,977	79,251	17	24,735	29,064	33,393
51	57,270	67,294	77,318	16	24,132	28,356	32,580
50	55,873	65,653	75,432	15	23,544	27,664	31,785
49	54,510	64,051	73,591	14	22,970	26,990	31,010
48	53,180	62,489	71,795	13	22,409	26,331	30,253
47	51,884	60,965	70,046	12	21,863	25,689	29,515
46	50,618	59,478	68,337	11	21,330	25,063	28,796

2015 Compensation Plan Updates

Comparator Employers Used in Survey

Aspen, Avon, Breckenridge, Crested Butte, *Frisco*, Jackson WY, *Mt. Crested Butte*, Park City UT, *Pitkin County*, *Silverthorne*, Snowmass, Steamboat, *Summit County*, Telluride, & Vail.

Since some of our positions are unique, additional employers (shown in red) were added to the study this year.

TMV Prevailing Rates vs. Average Comparator Prevailing Rate

The current salary plans were used from the comparator employers to determine the average prevailing rate (**mid-point**) for similar TMV positions (**TABLE 2**).

- The yellow column is the average prevailing rate of the comparator employers.
- The blue column is the current prevailing rate for each TMV position.
- Our goal is to be +/- 5% (in red)

TABLE 2										
PREVAILING RATES FOR COMPARATOR EMPLOYERS										
Job	Overall Prevailing Rate	TMV Prevailing Rate	%	current grade	proposed grade	Prevailing Rates/ Midpoints				
						Avon	Aspen	Breckenridge	Crested Butte	Frisco
Actg Spec- Payroll	46,322	44,226	-5%	34	36		46,670			48,354
Actg Tech - Accts Pyable	43,485	40,065	-8%	30	33		44,408		43,288	
Actg Tech - Utility Bill	43,808	40,065	-9%	30	33	47,372	47,954		43,288	

Findings

- The town's salary ranges are competitive, (+/- 5%) of the prevailing rates, for 31 of its positions in comparison to the comparator employers.
- The town's salary ranges are below competitive base pay rates for 39 of its positions in comparison to the competitor employers.

Recommendations

Reaffirm the Towns' prevailing rate salary policy that was adopted in 2008.

It is the policy of the Town of Mountain Village to place its salary range assignment for job classes at 100% of the prevailing rates (+/- 5%) paid for similar occupations by the public and private employers with whom we compete for high quality staff, if financially able, based on the non-weighted rates of the designated comparator employers.

1. Adjust the **ranges** of positions that currently fall below the overall prevailing rate of the designated competitor employers. *Depending on internal equities, the average prevailing rate may/may not warrant a range change.*

TABLE 3		
ADJUST THE SALARY RANGES OF POSITIONS BELOW COMPARATORS		
Job	Current Grade	Proposed Grade
Actg Spec- Payroll	34	36
Actg Tech - Accts Pyable	30	33
Actg Tech - Utility Bill	30	33
Admin Serv. Coord.	31	33
Administrative Asst Bldg	31	33
Administrative Asst RB	31	33
Asst Dir Child Care	35	40
Asst Prop Mgr-VCA	31	38
Building Official	56	59
Child Care Prog Assist FTYR	24	26
Community Serv. Officer	31	33
Controller	40	43
Crt Clerk/Police Serv	30	33
Deputy Town Clerk/Admin	35	36
Dir Child Care & Pre	52	56
Engineering Technician	40	41
Gondola Operator FTYR	24	26
HR Coordinator	36	43
Irrigation Technician	30	33
Mechanic-Gondola Maint	30	34
Mech-Veh & Equip Maint SR	38	43
Mgr R&B/Sewer	40	43
Mgr Transit Operation	47	48
Mgr Water Distrib	40	43
Police Officer	40	43
Preschool Mgr/Lead Teach	31	36
Preschool Teacher	24	31
Property Attendant	24	26
Specialist-Horticulture	30	33
Strs Maint/Equip Operator	33	36
Supervisor Child Care	30	33
Tech-Bldg Maintenance	30	36
Tech-Broadband Sys Sr	36	38
Tech-Gondola Maint	38	43
Tech-Water Dist/Prd	32	33
Town Manager	78	80
VCA Property Manager	49	52
Worker Maint Services VCA	24	30
Worker-Recreation Svcs FTYR	24	26

- Average merit increase proposed for 2016 for all Colorado municipalities is 3%.
Budget impact: **\$196,911**

2016 merit increase projections so far

Breckenridge: Merit pay, based on their performance, at 3.5% (Meets), 4.5% (Fully Competent), or a 5.5% (Exceeds) increases to base pay.

Frisco: 4.5% No COLA

San Miguel County: not sure yet

Telluride: In the process of implementing a new comp plan; their best guess is merit increases up to 4% - same as 2014 and 2015.

- Bring the salaries of all employees with more than five years in current job (based on performance) to new salary range midpoint. Budget impact: **\$20,957**

Job	Current Salary	3%	Total	Years in job	Proposed Midpoint	cost
Actg Spec- Payroll	44,334	1,330	45,664	7.2	46,465	801
Crew Leader-Strs-Sewer	42,796	1,284	44,080	6.7	46,465	2,385
Gondola Operator FTYR	31,996	960	32,955	8.6	36,298	3,343
Gondola Operator FTYR	34,254	1,028	35,281	9.1	36,298	1,017
Gondola Operator FTYR	33,866	1,016	34,882	11.6	36,298	1,416
Groundskeeper FTYR	34,483	1,034	35,518	5.6	36,298	780
Mechanic-Gondola Maint	38,494	1,155	39,649	8.0	43,147	3,498
Mech-Veh & Equip Maint SR	52,113	1,563	53,676	20.8	55,232	1,556
Mech-Veh & Equip Maint SR	53,294	1,599	54,893	23.4	55,232	339
Supervisor Gondola Maint	54,275	1,628	55,903	8.2	59,478	3,575
Tech-Bldg Maintenance	42,930	1,288	44,218	11.8	46,465	2,247
	\$2,575,991	\$77,280	\$2,653,271			\$20,957

- To fully implement the compensation plan, bring all employees to the appropriate place in their range (not to exceed the maximum for the range)
Budget impact: **\$260,658**
- Annually obtain current salary plans from the comparator employers to update the salary plan.

TABLE 2

PREVAILING RATES FOR COMPARATOR EMPLOYERS

Job	Current Prevailing Rate	Proposed Prevailing Rate	\$	%	current grade	proposed grade	dif	Prevailing Rates/ Midpoints													# of entities	Sum						
								Avon	Aspen	Breckenridge	Crested Butte	Frisco	Jackson, WY	Mt. Crested Butte	Park City, UT	Pitkin County	Silverthorne	Snowmass	Steamboat	Summit County			Telluride	Vail				
Actg Spec- Payroll	46,322	44,226	(2,096)	-5%	34	38	36	(2)		46,670				48,354	43,661		41,028	45,354	49,000		47,475	48,761	43,620	46,593	9	416,896		
Actg Tech - Accts Pyable	43,485	40,065	(3,420)	-8%	30	35	33	(3)		44,408			43,288									40,430	43,620	45,680	5	217,426		
Actg Tech - Utility Bill	43,808	40,065	(3,743)	-9%	30	35	33	(3)	47,372	47,954			43,288			41,028					41,010	42,194			6	262,846		
Admin Serv. Coord.	44,655	41,119	(3,536)	-8%	31	34	33	(2)		42,099	43,931		43,288					45,354	46,375		46,057	43,461	46,674		8	357,239		
Administrative Asst Bldg	43,768	41,119	(2,650)	-6%	31	33	33	(2)	44,567	41,494	43,931		41,977								44,408	43,062		44,115	46,592	8	350,146	
Administrative Asst Cable	42,616	41,119	(1,498)	-4%	31	32	31	0		41,494	43,931		41,977								43,062				4	170,464		
Administrative Asst RB	43,768	41,119	(2,650)	-6%	31	33	33	(2)		42,099	43,931		43,288		39,692							43,461	46,674	46,592	8	350,145		
Asst Dir Child Care	50,696	45,333	(5,363)	-11%	35	40	40	(5)																	0	0		
Asst Mgr Gond Maint.	62,997	65,653	2,655	4%	50	48	50	0													63,875			61,496	3	188,992		
Asst Prop Mgr-VCA	49,432	41,119	(8,313)	-17%	31	38	38	(7)		52,874											44,408			48,761	55,437	45,678	5	247,158
Bldg Inspec-Elec/Plumb	57,715	55,232	(2,484)	-4%	43	44	43	0		59,940	59,940		53,552	57,465	52,830	-	46,290				58,128		64,224	67,070	9	519,439		
Building Official	82,383	76,137	(6,246)	-8%	56	59	59	(3)	89,198	87,027	82,637		78,988	81,270	72,154		77,590				80,500	88,652		88,000	80,194	11	906,210	
Chief Acct/Revenue Mgr	63,058	62,488	(570)	-1%	48	49	48	0	67,222	62,379			63,732				62,147				62,125	58,128	60,591		68,136	8	504,460	
Chief Of Police	93,284	90,503	(2,781)	-3%	63	64	63	0		98,063	96,118				80,000							93,997		98,242	5	466,420		
Child Care Prog Assist	34,408	34,408	(1)	0%	24	24	24																					
Child Care Prog Assist FTYR	36,497	34,408	(2,090)	0%	24	26	26	(2)															36,497		1	36,497		
Community Serv. Officer	43,036	41,119	(1,918)	-4%	31	33	33	(2)		42,331				43,661							41,460	45,214		42,515	5	215,181		
Controller	56,258	51,286	(4,973)	-9%	40	44	43	(3)			-			58,112	-	46,290					58,128	54,958		63,804	-	5	281,292	
Crew Leader Recreation	47,247	46,522	(725)	-2%	36	37	36	0	47,126	47,954			43,288								42,000	50,573	49,848		49,940	7	330,729	
Crew Leader-Strs-Sewer	47,787	46,522	(1,265)	-3%	36	37	36	0			50,333					41,028						49,848		49,940	4	191,149		
Crt Clerk/Police Serv	46,140	40,065	(6,075)	-13%	30	36	33	(3)		47,954	43,921										45,140	47,475		46,674	45,678	6	276,842	
Deputy Town Clerk/Admin	48,910	45,333	(3,577)	-7%	35	38	36	(1)			49,502	43,288		48,027	50,000	46,290	43,098						64,400	46,674	8	391,279		
Dir Child Care & Pre	77,199	68,977	(8,222)	-11%	52	56	56	(4)		82,888	76,874	78,988												70,045	4	308,795		
Dir Admin Services	86,090	86,142	52	0%	61	61	61	0		87,028	68,090										80,711	108,812		85,808	5	430,449		
Dir Broadband Serv	76,137	76,137	0	0%	56	56	56	0																	0	0		
Dir HR & Safety	79,506	76,137	(3,369)	-4%	56	57	56	0	79,904	-	82,634		70,063			90,556	-			74,375					5	397,532		
Dir Mktg Bus Devel	75,864	76,137	273	0%	56	55	56	0	76,996	73,718	76,877														3	227,591		
Dir of Plan. & Devel Svcs	110,957	107,581	(3,377)	-3%	70	71	70	0		119,881			100,059	-			118,840	106,750	105,066	108,812				117,292	7	776,700		
Dir Plaza & Env Svcs	75,461	76,137	676	1%	56	55	56	0	76,996	65,489	76,877													82,483	4	301,845		
Dir Public Works	94,748	90,503	(4,245)	-4%	63	64	63	0				97,681												91,814	2	189,495		
Dir Tran, Parking & Rec	90,889	90,503	(386)	0%	63	63	63	0	90,386	82,888											95,298		88000	97,872	5	454,444		
Director Finance	103,450	107,581	4,131	4%	70	68	70	0	119,881	119,881	82,637	97,681	99,920	82,967		97,658	118,840	106,750	105,066	108,812	105,100	85,808	117,292	14	1,448,293			
Engineering Technician	53,850	51,286	(2,564)	-5%	40	42	41	(1)			47,677												60,022		2	107,699		
Gondola Operator	34,860	34,408	(452)	-1%	24	24	24	0						34,365		27,716						39,062	38,296		4	139,439		
Gondola Operator FTYR	41,072	34,408	(6,665)	-16%	24	31	26		46,440		47,683			34,365		27,716					45,156	39,062	38,296		49,858			
Groundskeeper	40,994	34,408	(6,586)	-16%	24	30	24	0		40,315	40,767										42,000	41,054	39,058		42,767	6	245,961	
Groundskeeper FTYR	43,820	36,497	(7,323)	-17%	26	33	26		47,126		43,931	43,288									42,000	50,573	39,058		40,767	7	306,743	
HR Coordinator	57,266	46,522	(10,744)	-19%	36	44	43	(7)	59,405	56,728	55,664														3	171,797		
Irrigation Technician	47,954	40,065	(7,889)	-16%	30	37	33	(3)		47,954															1	47,954		

Lieutenant	69,775	68,977	(799)	-1%	52	52	52	0		77,406	68,752	64,424		65,594	62,500	60,663				73,648	76,300	68,270	80,195	10	697,752
Mechanic-Gondola Maint	40,441	40,065	(376)	-1%	30	30	34	(4)						43,661		34,684							42,978	3	121,323
Mechanic-Gondola Maint S	49,060	44,226	(4,834)	-10%	34	38	38	(4)	48,382		50,330			48,027	41,028		53,375			52,340		49,940		7	343,422
Mech-Veh & Equip Maint	49,060	44,226	(4,834)	-10%	34	38	38	(4)	48,382		50,330			48,027	41,028		53,375			52,340		49,940		7	343,422
Mech-Veh & Equip Maint S	55,704	48,877	(6,828)	-12%	38	43	43	(5)	56,678	56,586		53,552	50,158						61,204				56,046	6	334,224
Mgr Gondola Maint/MARR	77,717	72,469	(5,249)	-7%	54	56	54	0		78,946	76,874									77,331				3	233,151
Mgr Plaza & Env Svcs.	59,838	62,488	2,651	4%	48	46	48	0	56,088		62,022	57,619								63,621				4	239,350
Mgr R&B/Sewer	58,562	51,286	(7,277)	-12%	40	45	43	(3)			62,022	57,619			64,000			60,375		52,340		52,082	61,496	7	409,934
Mgr Transit Operation	63,156	60,965	(2,191)	-3%	47	48	48	(1)			76,874					52,728		63,875		59,148				4	252,625
Mgr Vehicle+Equip Maint	77,717	72,469	(5,249)	-7%	54	56	54	0		78,946	76,874									77,331				3	233,151
Mgr Water Distrib	61,788	51,286	(10,502)	-17%	40	47	43	(3)		68,484	62,022	57,619	68,164					68,250		52,340	66,070		51,351	8	494,300
Planner / Town Forester	55,900	52,567	(3,334)	-6%	41	43	41	0													55,900			1	55,900
Planner II	63,571	62,488	(1,083)	-2%	48	48	48	0	66,111	65,489	62,022	55,454				62,147		64,750		63,621	64,224	61,180	70,712	10	635,710
Police Officer	58,013	51,286	(6,728)	-12%	40	45	43	(3)	62,898	63,104	59,942	53,046	58,022	48,027	47,500	52,728		62,125	64,157	60,600	56,716	57,178	66,140	14	812,183
Preschool Mgr/ Lead Teach	41,119	41,119	0	0%	31	36	36	(5)														41,119		1	41,119
Preschool Teacher	41,119	34,408	(6,712)	-16%	24	31	31															41,119		1	41,119
Property Attendant/ custod	40,958	34,408	(6,551)	-16%	24	30	26	(2)	44,408	43,492								36,684	37,327				42,881	5	204,792
Recreation-Waiver Servic	37,226	34,408	(2,819)	-8%	24	27	24	0			37,226													1	37,226
Shift Super Gondola Ops	47,089	46,522	(567)	-1%	36	37	36	0	47,126		50,333	43,288						42,000		49,848		49,940		6	282,535
Specialist-Horticulture	50,696	40,065	(10,631)	-21%	30	39	33	(3)		50,696														1	50,696
Specialist-Recreation Ser	40,630	40,065	(565)	-1%	30	30	30	0		40,144	40,767						42,000	41,054	39,058			40,757		6	243,780
Strs Maint/Equip Operator	48,245	43,201	(5,045)	-10%	33	38	36	(3)	50,854	44,408	47,677		45,628				49,875	48,216	45,214	48,957	46,674	54,950	10	482,453	
Supervisor Child Care	41,119	40,065	(1,054)	0%	30	31	33	(3)														41,119		1	41,119
Supervisor Gondola Maint	60,592	59,478	(1,115)	-2%	46	47	46	0	56,678	56,678							63,875	61,204	63,621				61,496	6	363,552
Supervisor Grounds/Plaza	44,567	51,286	6,719	15%	40	34	40	0	47,126	47,954		43,288			37,093		42,000					49,940		6	267,401
Tech-Bldg Maintenance	42,680	40,065	(2,615)	-6%	30	32	30	0		44,408					42,500					41,010	42,362		43,118	5	213,398
Tech-Bldg Maintenance Sr	48,852	40,065	(8,787)	-18%	30	38	36	(6)		47,954	50,330				52,500					45,214	54,600	42,515		6	293,113
Tech-Broadband Sys Sr	46,522	46,522	0	0%	36		36	0																0	0
Tech-Gondola Maint sr	55,704	48,877	(6,828)	-12%	38	43	38	0	56,678	56,586		53,552	50,158						61,204				56,046	6	334,224
Tech-Water Dist/Prd	43,133	42,147	(986)	-2%	32	33	33	(1)		44,408		43,288		39,692		41,028		47,250						5	215,666
Town Manager	139,089	131,238	(7,852)	-6%	78	80	80	(2)	150,150	173,763	157,704				87,500	123,734			105,066	151,407	149,292	111,427	180,849	10	1,390,892
VCA Property Manager	69,634	64,051	(5,584)	-8%	49	52	52	(3)		62,379	76,874									77,331		55,437	76,151	5	348,172
Worker Maint Services VCA	42,680	34,408	(8,272)	-19%	24	32	30	(6)		44,408				42,500						41,010	42,362		43,118	5	213,398
Worker-Recreation Svcs	40,356	34,408	(5,949)	-15%	24	30	26	(2)		40,144	40,767								41,054	39,058		40,757		5	201,780

 Business and Government Activity Report For the month ending: July 31st							
Activity	2015		2014		Variance		
	MONTH	YTD	MONTH	YTD	Variance	Variance %	
Cable/Internet							
# Residential & Bulk Basic Cable	935		926		9	1.0%	
# Premium Channel Residential & Bulk Subscribers	490		485		5	1.0%	
# Digital Subscribers	300		310		(10)	-3.2%	
# Internet Subscribers	1,663		1,614		49	3.0%	
Average # Phone Subscribers	92		93		(1)	-1.1%	
Village Court Apartments							
Occupancy Rate %	100.00%	99.23%	93.69%	94.08%	5.15%	5.5%	
# Vacated Units	0	17	13	96	(79)	-82.3%	
# Work Orders Completed	49	248	38	256	(8)	-3.1%	
# on Waiting List	126		42		84	200.0%	
Public Works							
Service Calls	398	2,562	465	2,657	(95)	-3.6%	
Snow Fall Inches	0	104	0	143	(39)	-27.3%	
Snow Removal - Streets & Prkg Lots Hours	0	1,691	0	2,227	(536)	-24.1%	
Roadway Maintenance Hours	396	1,876	627	2,824	(948)	-33.6%	
Water Billed Consumption Gal.	17,925,000	84,202,000	22,075,000	120,846,000	(36,644,000)	-30.3%	
Sewage Treatment Gal.	10,485,000	57,340,000	8,609,000	52,331,000	5,009,000	9.6%	
Child Development Fund							
# Infants & Toddlers Actual Occupancy	20.91	137.02	17.32	127.07	9.95	7.8%	
# Preschoolers Actual Occupancy	15.14	106.21	14.68	98.91	7.30	7.4%	
Transportation and Parking							
GPG (noon snapshot)	3,216	16,307	2,291	15,440	867	5.6%	
HPG (noon snapshot)	1,110	9,323	909	9,668	(345)	-3.6%	
Total Parking (noon snapshot)	7,257	52,376	5,927	51,364	1,012	2.0%	
Parking Utilization (% of total # of spaces occupied)	29.9%	30.8%	24.4%	30.2%	0.6%	2.0%	
Paid Parking Revenues	\$48,080	\$224,856	\$38,183	\$190,496	\$34,360	18.0%	
Bus Routes # of Passengers	8,118	22,569	7,399	20,569	2,000	9.7%	
Employee Shuttle # of Passengers	1,775	11,026	1,841	9,972	1,054	10.6%	
Employee Shuttle Utilization Rate %	55.5%	52.6%	58.3%	59.7%	-7.10%	-11.9%	
Inbound (Vehicle) Traffic (Entrance) # of Cars	83,660	436,885	75,877	414,418	22,467	5.4%	
Human Resources							
FT Year Round Head Count	79		73		6	8.2%	
Seasonal Head Count (FT & PT)	7		9		(2)	-22.2%	
PT Year Round Head Count	19		9		10	111.1%	
Gondola FT YR, Seasonal, PT YR Head Count	53		58		(5)	-8.6%	
Total Employees	158		149		9	6.0%	
Gondola Overtime Paid Hours	165	1119	113	1238	(119)	-9.6%	
Other Employee Overtime Paid	176	709	89	405	304	75.0%	
# New Hires Total New Hires	7	49	11	52	(3)	-5.8%	
# Terminations	6	40	6	45	(5)	-11.1%	
# Workmen Comp Claims	2	4	1	7	(3)	-42.9%	
Workmen Comp Claims Costs	\$51,443	\$53,424	\$61,446	\$89,127	(\$35,703)	-40.1%	
Community Relations							
Total Users/Total Sessions	1,265/1,616	8,547/11,915	924/1,131	2,353/3,532	6,194/8,383	263%/237%	
Town Hosted Meetings	4	31	4	36	(5)	-13.9%	
Email Correspondence Sent	10	78	13	42	36	85.7%	
E-mail List #	8079		990		7,089	716.1%	
Press Releases Sent	3	21	3	17	4	23.5%	
Gondola and RETA <i>RETA revenues are unaudited</i>							
Gondola # of Passengers	398,988	1,656,356	348,008	1,512,773	143,583	9.5%	
Chondola # of Passengers	0	87,074	0	83,048	4,026	4.8%	
RETA fees collected by TMVOA	304,872	2,499,162	473,367	1,980,194	518,968	26.2%	
Police							
Calls for Service #	601	3,399	431	2,259	1,140	50.5%	
Investigations #	23	147	20	131	16	12.2%	
Alarms #	24	150	16	90	60	66.7%	

Activity	2015		2014		Variance		
	MONTH	YTD	MONTH	YTD	Variance	Variance %	
Arrests	#	4	12	1	8	4	50.0%
Traffic Contacts	#	22	153	7	55	98	178.2%
Traffic Tickets Written	#	6	27	2	19	8	42.1%
Parking Tickets Written	#	355	2,209	361	1,119	1,090	97.4%
Administrative Dismissals	#	10	81	24	117	(36)	-30.8%
Building/Planning							
Community Development Revenues		\$25,142	\$701,012	\$86,593	\$357,956	\$343,056	95.8%
# Permits Issued		9	53	6	44	9	20.5%
Valuation of Building Permits Issued		\$287,829	\$20,797,440	\$471,002	\$5,531,936	\$15,265,504	276.0%
# Inspections Completed		234	1,370	122	763	607	79.6%
# Design Review/Zoning Agenda Items		9	37	1	19	18	94.7%
# Staff Review Approvals		25	110	19	63	47	74.6%
Recreation							
Mile of Trails Maintained		10.7	26.4	11.0	29.7	(3)	-11.1%
Adventure Rock Registrations		472	1014	223	549	465	84.7%
Bike Park Waivers		1447	2502	935	1793	709	39.5%
Bike Park Trips		3343	5583	3301	5187	396	7.6%
Disc Golf Registrations		543	1437	505	1485	(48)	-3.2%
Platform Tennis Registrations		4	198	45	239	(41)	-17.2%
Plaza Services							
Due to the timing of the packet, trash diversion rates are for the previous month.							
Snow Removal Plaza	Hours	0	820	0	1063	(244)	-22.9%
Plaza Maintenance	Hours	181	1,959	260.25	1525	512	33.6%
Lawn Care	Hours	236	859	264.5	821	67	8.1%
Plant Care	Hours	580	1,687	573.75	1593	89	5.6%
Irrigation	Hours	59	361	86.25	444	(56)	-12.6%
TMV Trash Collection	Hours	97	720	113.5	651	85	13.1%
Christmas Decorations	Hours	0	539	0	443	96	21.7%
Residential Trash	Pound	23,850	98,475	19,950	92,400	675	0.7%
Residential Recycle	Pound	43,246	139,031	5,820	68,930	34,875	50.6%
Diversion Rate	%	64.45%	58.54%	22.58%	42.73%	15.81%	37.0%
Vehicle Maintenance							
# Preventive Maintenance Performed		20	138	21	135	3	2.2%
# Repairs Completed		36	189	33	207	(18)	-8.7%
Special Projects		7	30	3	47	(17)	-36.2%
# Roadside Assists		0	2	1	11	(9)	-81.8%
Finance							
# Employee Based Business Licenses Issued		9	624	32	590	34	5.8%
# Privately Licensed Rentals		1	57	0	57	0	0.0%
# Property Management Licensed Rentals		5	335	2	321	14	4.4%
# VRBO Listings for MV		359		252		107	42.5%
# Paperless Billing Accts (YTD is total paperless customers)		11	521	13	339	182	53.7%
# of TMV AR Bills Processed		2,038	13,976	2,003	13,801	175	1.3%
Accounts Receivable - Total Bad Debt Reserve/Allowance: \$14,251							
Current 30+ Days 60+ Days 90+ Days over 120 days Total	TMV Operating Receivables (includes Gondola funding)		Utilities - Cable and Water/Sewer		VCA - Village Court Apartments		General Fund Investment Activity Change in Value (\$247,555) Ending Balance \$6,498,314 Investment Income \$3,235 Portfolio Yield 1.03%
	\$ 541,233	93.1%	\$ 206,259	86.1%	\$ (13,661)	208.4%	
	15,469	2.7%	24,654	10.3%	(2,450)	37.4%	
	19,524	3.4%	7,774	3.2%	(824)	12.6%	
	2,527	0.4%	830	0.3%	10,379	-158.3%	
	2,481	0.4%	-	0.0%	-	0.0%	
\$ 581,235	100.0%	\$ 239,517	100.0%	\$ (6,555)	100.0%		
Current 30+ Days 60+ Days 90+ Days over 120 days Total	Other Billings - CDF, Construction Parking, Commercial Trash		Total All AR		Change Since Last Month - Increase (Decrease) in AR		Other Statistics Population (estimated) 1,340 Registered Voters 1,016 Property Valuation 266,407,970
	\$ 36,495	62.8%	\$ 770,327	88.3%	\$ 58,072	66.3%	
	12,184	21.0%	49,858	5.7%	(2,460)	-2.8%	
	7,770	13.4%	34,244	3.9%	26,452	30.2%	
	1,223	2.1%	14,960	1.7%	2,907	3.3%	
	413	0.7%	2,894	0.3%	2,557	2.9%	
\$ 58,085	100.0%	\$ 872,282	100.0%	\$ 87,529	100.0%		



Memorandum

To: Town Council
From: Kevin Swain, Finance Director
Date: August 13, 2015
Re: Town of Mountain Village Financial Statements through June 2015

Mountain Village Financials Statements through June, 2015

General Fund Summary

The General Fund currently reflects a surplus of \$3.1 million. Development related revenues are now exceeding budget and prior year. Sales taxes show an increase of 22% over prior year and are over budget by 24.3%. Revenues of \$6.6 million were over budget by \$576,300 due mainly to sales tax and construction fees collections.

Total operating expenditures of \$3.4 million were under budget by \$457,300. Capital outlay through this period was for environmental projects, firehouse improvements, and boiler repairs.

Transfers to other funds include:

Fund	This Month	YTD Budget	YTD Actual	Budget Variance
Child Development Fund	\$ (917)	\$ 34,090	\$ 870	(33,220)
Affordable Housing Development Fund (Monthly Sales Tax Allocation)	\$ 25,080	\$ 187,525	\$ 235,229	47,704
Conference Center Subsidy	\$ 10,437	\$ 54,760	\$ 54,127	(633)
Vehicle & Equipment Acquisition Fund	\$ 132,407	\$ 178,000	\$ 177,553	(447)

Income transfers from other funds include:

Fund	This Month	YTD Budget	YTD Actual	Budget Variance
Overhead allocation from Cable, W/S, Gondola, VCA and Parking Services	\$ 32,900	\$ 216,158	\$ 205,524	(10,634)
Parking Services	\$ 23,259	\$ 38,649	\$ 68,874	30,225
Debt Service Fund (Specific ownership taxes)	\$ 14,122	\$ 40,260	\$ 74,333	34,073
*Tourism Fund	\$ 2,883	\$ 28,535	\$ 51,504	22,969

*This transfer is comprised of administrative fees, interest, and penalties collected.

Vehicle and Equipment Acquisition Fund – No Fund Income Statement Attached

A snow blower attachment and a sweeper broom were purchased. A police vehicle, a bus, and a parks and recreation vehicle have been acquired, and the bobcat leases have been paid.

Capital Projects Fund – No Fund Income Statement Attached

\$45,482 was spent on the Meadows Improvement Plan.

Historical Museum Fund – No Fund Income Statement Attached

\$83,950 in property taxes were collected and \$82,271 was tendered to the historical museum. The county treasurer retained \$1,670 in treasurer’s fees.

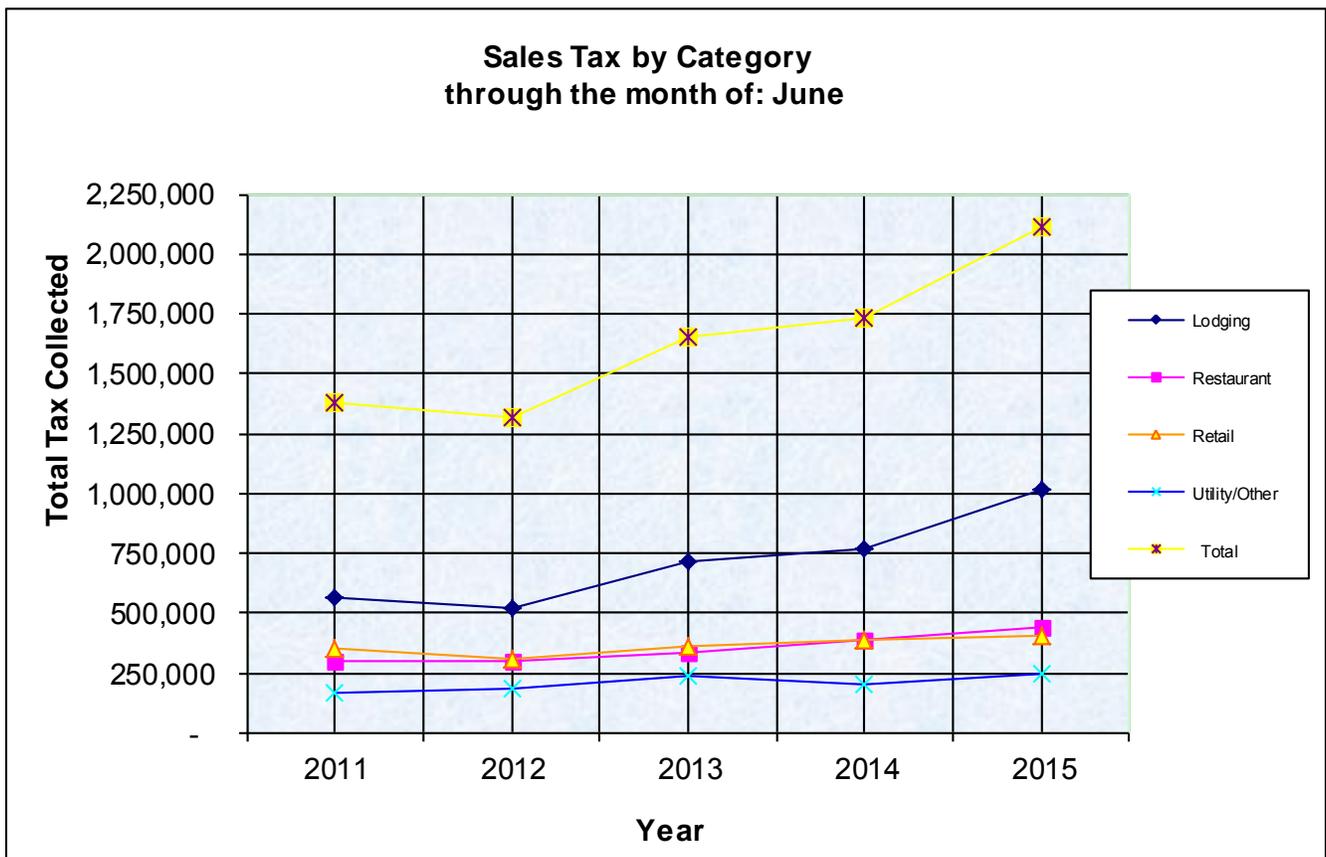
Mortgage Assistance Fund – No Fund Income Statement Attached

There has been no activity in this fund to date.

Sales Tax

Sales taxes of \$2.1 million are 22% over 2014 through this period and are over budget by 24.3%. Lodging shows the highest growth of 33% followed by utility/other at 22%.

Actual Sales Tax Base By Class, Through June 2015										
Category	Actual 2011	Actual 2012	PY % Increase	Actual 2013	PY % Increase	Actual 2014	PY % Increase	Actual 2015	PY \$ Variance	PY % Increase
	4.5%	4.5%	2011 to 2012	4.5%	2012 to 2013	4.5%	2013 to 2014	4.5%	2014 to 2015	2014 to 2015
Lodging	12,616,834	11,586,809	-8%	15,889,963	37%	16,996,006	7%	22,614,574	5,618,569	33.06%
Restaurant	6,684,522	6,588,917	-1%	7,497,076	14%	8,546,618	14%	9,808,960	1,262,342	14.77%
Retail	7,721,526	6,805,983	-12%	8,083,152	19%	8,538,194	6%	9,088,048	549,854	6.44%
Utility/Other	3,614,217	4,173,450	15%	5,271,825	26%	4,418,612	-16%	5,392,562	973,951	22.04%
Total	30,637,099	29,155,159	-5%	36,742,016	26%	38,499,429	5%	46,904,145	8,404,715	21.83%



Tourism Fund

2015 restaurant taxes totaling \$193,505 have been collected and \$189,685 was tendered to the airline guarantee program. \$859,670 in lodging taxes were collected and \$846,775 was tendered to the airline guarantee program and to MTI. The Town retained \$16,715 in administrative fees, and penalties and interest of \$2,798.

Lodging taxes are exceeding prior year and budget by 28.5% and 31.3%. Restaurant taxes are also ahead of prior year and budget by 12% and 22.5%, respectively. For the month of June, restaurant taxes are .03% under June 2014 and lodging taxes are 22% over June 2014.

Town of Mountain Village Colorado Lodging Tax Summary								
	2011	2012	2013	2014	2015	2014	2015	Budget
	Activity	Activity	Activity	Activity	Activity	Var %	Budget	Var %
	(4%)	(4%)	(4%)	(4%)	(4%)			
January	123,204	105,787	167,378	159,264	216,904	36.19%	140,324	35.31%
February	137,579	135,434	151,727	170,098	231,700	36.22%	149,232	35.59%
March	179,223	150,548	203,235	248,285	300,954	21.21%	222,035	26.22%
April	5,006	7,619	9,382	7,291	12,319	68.96%	6,101	50.47%
May	6,665	8,673	10,684	10,627	15,282	43.81%	8,935	41.54%
June	50,466	55,581	77,013	74,275	83,867	12.91%	64,744	22.80%
July	64,340	77,661	93,602	109,838	-	-100.00%	96,286	#DIV/0!
August	52,153	74,889	84,727	88,929	-	-100.00%	77,851	#DIV/0!
September	61,547	62,057	69,349	82,891	-	-100.00%	73,095	#DIV/0!
October	12,532	16,867	16,450	17,383	-	-100.00%	15,158	#DIV/0!
November	6,206	6,618	6,761	11,840	-	-100.00%	10,632	#DIV/0!
December	171,797	164,045	191,249	226,508	-	-100.00%	201,696	#DIV/0!
Total	870,717	865,780	1,081,555	1,207,229	861,027	-28.68%	1,066,088	-23.82%
Tax Base	21,767,932	21,644,491	27,038,867	30,180,718	21,525,670		26,652,197	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2011	2012	2013	2014	2015	2014	2015	Budget
	Activity	Activity	Activity (2%)	Activity (2%)	Activity (2%)	Var %	Budget	Var %
	(2%)	(2%)						
January	31,256	28,754	34,448	38,239	46,239	20.92%	33,193	28.21%
February	37,572	34,996	41,121	48,466	53,855	11.12%	42,070	21.88%
March	45,498	42,723	47,045	53,516	59,727	11.61%	46,453	22.22%
April	1,368	3,506	2,518	1,995	2,874	44.07%	1,732	39.74%
May	3,402	2,469	3,913	5,154	5,453	5.79%	4,474	17.95%
June	18,235	17,098	19,116	25,366	25,358	-0.03%	22,019	13.17%
July	22,524	25,929	27,921	32,661	-	-100.00%	28,351	#DIV/0!
August	20,044	20,958	25,645	25,017	-	-100.00%	21,716	#DIV/0!
September	17,272	17,813	19,982	23,831	-	-100.00%	20,686	#DIV/0!
October	6,355	7,258	5,468	5,369	-	-100.00%	4,661	#DIV/0!
November	3,487	4,524	4,668	5,765	-	-100.00%	5,004	#DIV/0!
December	37,737	39,565	42,983	49,923	-	-100.00%	42,842	#DIV/0!
Total	244,750	245,593	274,828	315,303	193,505	-38.63%	273,200	-41.18%
Tax Base	12,237,496	12,279,634	13,741,420	15,765,152	9,675,272		13,659,997	

Business license fees of \$254,552 are over budget by \$3,281 and over prior year \$6,295. \$239,279 was remitted to MTI and \$33,303 in admin fees and penalties were transferred to the General Fund.



To: TMVOA; Town Council
From: Kevin Swain, Finance Director
Date: August 3, 2015
Re: Gondola Quarterly Report, June 30, 2015

Budgets are allocated monthly based on prior year actuals. Budgets for new items and major or capital items are adjusted to when expenditures occur. Other expenses, such as supplies may be over or under budget month to month because of the timing of expenditures.

At mid-year 2015, the gondola fund is \$116,000 under budgeted expenses. TSG ticket sales have increased 17% over prior year and are 37% over budget.

Gondola Fund - Expenditures

1. Mobile Aerial Rapid Rescue System (MARRS):

Annual budget: \$76,965
YTD expenditures: \$30,180
YTD budget: \$32,779

MARRS is 8% under budget. This is due to small budget savings on payroll costs.

2. Chondola Operations and Maintenance:

Annual budget: \$1.88 million
YTD expenditures: \$104,191
YTD budget: \$109,005

Chondola operations expenses are under budget by \$4,800. TSG utilities and personnel costs are running under budget.

3. Gondola Operations:

Annual budget: \$1.74 million
YTD expenditures: \$766,860
YTD budget: \$798,133

Gondola operations were under budget by \$31,273. Personnel costs have savings of \$26,000. Prior year variances are in employee costs also.

4. Gondola Maintenance:

Annual budget: \$1.2 million
YTD expenditures: \$628,681
YTD budget: \$ 644,918

Gondola maintenance is under budget by \$16,237 and \$45,000 over prior year. Budget variances of are mainly due to employee costs. Prior year variances are in parts \$18,300, contract labor \$14,200, and group insurance \$3,600.

5. Fixed, General, Overhead and Administration:

Annual budget: \$572,371

YTD expenditures: \$234,797

YTD budget: \$296,518

FGOA costs are \$61,700 below budget. Noteworthy budget variances include: Natural gas (\$2,800), communications (\$3,400), (mainly due to the dissolution of the communications system and radio repairs), shuttle expense (\$8,000), and electricity (\$65,000) mainly due to a sizable capital credit.

6. Major Repairs and Replacements:

Annual Budget: \$572,371

YTD expenditures: \$98,577

YTD budget: \$97,500

The LED conversion in the stations has been made. Bullwheel replacement, painting, and other upgrades have been done.

7. Capital Outlay:

Annual Budget: \$521,000 (there are matching grant funds for a portion of these costs)

YTD expenditures: \$43,775

YTD budget: \$44,000

The terminal flooring project is underway.

Overall Financial Performance through June 30, 2015

Total gondola expenditures through this period of \$1.9 million were 6% under budget. The budget shortfall was due in large part to a credit to electricity for capital returns from SMPA and savings in other areas. Total funding for the period of \$1.9 million was primarily provided by TMVOA (87%), with contributions of approximately \$1.6 million, and \$139,315 (7%) provided by TSG from lift ticket sales, grant monies \$81,206 (4%) sale of assets of \$10,500, and event operations funding of \$5,425.

**Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015**

	2015					2014	2013	2012	
	Actual YTD	Budget YTD	Budget Variance	Budget Variance	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
	(\$)		(%)						
General Fund									
Revenues									
Charges for Services	\$ 194,352	\$ 110,417	\$ 83,935	76.02%	\$ 251,440	\$ 57,088	\$ 123,705	\$ 398,557	\$ 182,696
Contributions	27,103	49,576	(22,473)	-45.33%	266,788	239,685	11,368	9,159	27,828
Fines and Forfeits	2,934	2,996	(62)	-2.07%	6,077	3,143	2,335	970	(1,258)
Interest Income	42,294	6,405	35,889	560.33%	13,770	(28,524)	21,696	(14,963)	9,454
Intergovernmental	236,131	271,306	(35,175)	-12.97%	373,597	137,466	267,371	314,321	313,680
Licenses and Permits	205,604	88,482	117,122	132.37%	260,736	55,132	89,761	250,106	73,501
Miscellaneous Revenues	41,808	44,556	(2,748)	-6.17%	77,877	36,069	55,460	48,935	49,229
Taxes and Assessments	5,888,638	5,488,846	399,792	7.28%	7,576,336	1,687,698	5,230,942	6,280,993	5,459,805
Total Revenues	6,638,864	6,062,584	576,280	9.51%	8,826,621	2,187,757	5,802,638	7,288,078	6,114,935
Operating Expenses									
Legislation & Council	8,768	7,905	863	10.92%	30,129	21,361	3,934	7,555	4,294
Town Manager	105,572	107,756	(2,184)	-2.03%	272,912	167,340	104,098	102,814	103,843
Administrative Services	156,693	180,231	(23,538)	-13.06%	380,065	223,372	168,969	150,327	147,579
Finance	456,727	455,287	1,440	0.32%	784,912	328,185	433,243	434,852	461,848
Technical	83,912	97,676	(13,764)	-14.09%	179,555	95,643	83,047	94,910	95,635
Human Resources	128,202	149,396	(21,194)	-14.19%	293,455	165,253	128,716	120,357	128,454
Town Attorney	278,336	305,021	(26,685)	-8.75%	469,199	190,863	222,645	188,135	243,952
Community Relations	127,231	136,994	(9,763)	-7.13%	235,486	108,255	93,168	99,406	89,501
Municipal Court	12,643	13,623	(980)	-7.19%	30,204	17,561	13,651	13,094	12,439
Police Department	350,030	385,263	(35,233)	-9.15%	792,158	442,128	325,981	370,246	356,235
Community Services	22,717	25,185	(2,468)	-9.80%	52,720	30,003	22,816	23,504	21,477
Community Grants and Contributions	38,250	48,250	(10,000)	-20.73%	66,500	28,250	59,000	39,000	39,000
Roads and Bridges	316,683	396,225	(79,540)	-20.07%	1,038,197	721,512	431,906	315,193	600,830
Vehicle Maintenance	206,465	228,073	(21,608)	-9.47%	478,958	272,493	207,230	214,022	228,787
Municipal Bus/Dial-A-Ride	47,241	65,225	(17,984)	-27.57%	168,914	121,673	57,848	210,292	304,743
Employee Shuttle	24,659	54,047	(29,388)	-54.37%	100,252	75,593	38,815	33,191	47,752
Parks & Recreation	178,681	209,264	(30,583)	-14.61%	478,793	300,112	187,471	134,887	197,737
Plaza and Environmental Services	531,293	616,535	(85,242)	-13.83%	1,540,998	1,009,705	536,873	494,297	540,130
Public Refuse Removal and Residential Trash Billing Services	24,309	23,883	426	1.78%	47,307	22,998	19,928	105,450	104,606
Building/Facility Maintenance	68,549	84,704	(16,155)	-19.07%	196,753	128,204	49,394	58,456	61,417
Planning & Development Services	2,770	4,255	(1,485)	-34.90%	9,149	6,379	2,554	1,718	3,986
Building Division	93,392	113,751	(20,359)	-17.90%	245,446	152,054	87,939	70,356	79,485
Housing Division Office	8,631	8,943	(312)	-3.49%	19,823	11,192	8,633	38,936	41,014
Planning and Zoning Division	123,951	135,531	(11,580)	-8.54%	470,452	467,682	133,226	114,812	116,985
Contingency	-	-	-	#DIV/0!	83,523	74,892	-	-	-
Total Operating Expenses	3,395,707	3,853,023	(457,316)	-11.87%	8,465,860	5,182,703	3,421,085	3,435,810	4,031,729
Surplus / Deficit	3,243,157	2,209,561	1,033,596	46.78%	360,761	(2,994,946)	2,381,553	3,852,268	2,083,206
Capital Outlay	64,391	65,877	(1,486)	-2.26%	431,235	366,844	87,560	93,800	86,922
Surplus / Deficit	3,178,766	2,143,684	1,035,082	48.29%	(70,474)	(3,249,240)	2,293,993	3,758,468	1,996,284
Other Sources and Uses									
Sale of Assets	29,910	-	29,910	#DIV/0!	-	(29,910)	10,568	1,685	5,563
Transfer (To) From Affordable Housing	(235,229)	(187,525)	(47,704)	25.44%	(339,889)	(104,660)	(192,226)	(184,807)	(145,138)
Transfer (To) From Cable	-	-	-	#DIV/0!	229,295	229,295	56,736	64,603	77,670
Transfer (To) From Child Development	(870)	(34,090)	33,220	-97.45%	(121,208)	(67,081)	(7,955)	(18,514)	(37,519)
Transfer (To) From Communications	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From Capital Projects	-	-	-	#DIV/0!	-	(51,504)	-	-	-
Transfer (To) From Debt Service	74,333	40,260	34,073	84.63%	81,251	(124,273)	71,176	50,408	47,831
Transfer (To) From Mortgage Assistance	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From Overhead Allocation	205,524	216,158	(10,634)	-4.92%	426,900	221,376	188,077	180,449	177,244
Transfer (To) From Parking Services	68,874	38,649	30,225	78.20%	(80,783)	(79,913)	(28,160)	13,236	(19,167)
Transfer (To) From Conference Center	(54,127)	(54,760)	633	-1.16%	(167,729)	(167,729)	(50,465)	(61,165)	(92,857)
Transfer (To) From Tourism	51,504	28,535	22,969	80.50%	12,387	(61,946)	35,025	(60,661)	(9,113)
Transfer (To) From Vehicle/Equipment	(177,553)	(178,000)	447	-0.25%	(352,061)	(174,508)	(92,192)	(40,617)	-
Transfer (To) From Water/Sewer	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	(37,634)	(130,773)	93,140	-71.22%	(311,837)	(410,853)	(9,415)	(55,383)	4,514

**Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015**

	2015				2014	2013	2012		
	Actual YTD	Budget YTD	Budget Variance	Budget Variance	Actual YTD	Actual YTD	Actual YTD		
Surplus / Deficit	\$ 3,141,132	\$ 2,012,911	\$1,128,222	56.05%	\$ (382,311)	\$ (3,660,093)	\$ 2,284,578	\$ 3,703,085	\$ 2,000,798

<u>Beginning Fund Balance Components</u>	<u>Actual YTD</u>	<u>Annual Budget</u>
Emergency Reserve	\$ 2,963,051	\$ 2,952,551
Property Tax Reserve	225,414	225,414
Unreserved	3,923,477	2,429,654
Beginning Fund Balance	\$ 7,111,942	\$ 5,607,619
<u>YTD Ending Fund Balance Components</u>		
Emergency Reserve	\$ 2,963,051	\$ 2,952,551
Property Tax Reserve	225,414	225,414
Health Care Premium Savings Reserve	50,000	50,000
Facility Maint Reserve	155,000	155,000
Unreserved	6,859,609	1,842,343
Ending Fund Balance	\$ 10,253,074	\$ 5,225,308

Revenues

Taxes & Assessments - Specific Ownership taxes collected are exceeding budget and prior year. Sales tax revenues are 24% over budget and 22% over prior year.
 Construction use tax is now exceeding budget and prior year.
 Licenses & Permits - Construction permits are over budget by \$71,600. Plumbing permits are over budget \$12,900. Electrical permits are over budget \$21,000.
 Intergovernmental - Road and Bridge taxes are under budget 15.7% .
 Charges for Services - Plan review and DRB fees are over budget. Energy mitigation fees and road impact fees are exceeding budget.
 Fines & Forfeitures - Slightly under budget.
 Investment Income - Interest is exceeding budget and prior year.
 Miscellaneous - Under budget in vending cart rents and finance charges.
 Contributions - Green gondola receipts, shuttle shared expense, and energy rebates have been collected to date.

Top Ten Budget Variances

Under Budget

Plaza and Environmental Services - \$85,242 Personnel costs and natural gas, and electric expense.
 Road & Bridge - \$79,540 Gasoline and bridge repair were under budget.
 Police - \$35,233 Savings in personnel costs due to an unfilled position.
 Parks and Recreation - \$30,583 Under budget in personnel and ice rink and trail maintenance.
 Employee Shuttle - \$29,388 Vehicle repair and gasoline are under budget.
 Legal - \$26,685 Under budget in general legal.
 Admin Services- \$23,538 Savings in facility expense and electric.
 Vehicle Maintenance- \$21,608 Savings in general supplies and oil.

Over Budget

Finance - \$1,440 Bad debt write off.
 Legislation & Council - \$863 Town anniversary party.
 Trash Removal - \$426 Employee expenses are running ahead of budget.

Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015

	2015						2014	2013	2012
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Tourism Fund									
Revenues									
Business Licenses Fees	\$ 254,552	\$ 251,271	\$ 3,281	1%	\$ 273,856	\$ 19,304	\$ 248,257	\$ 248,444	\$ 225,850
Lodging Taxes - Condos/Homes (1)	472,457	285,287	187,170	66%	542,639	70,182	296,270	295,747	213,567
Lodging Taxes - Hotels/Condos (1)	387,213	306,084	81,129	27%	523,449	136,236	373,570	323,671	250,190
Lodging Taxes - Prior Year	4,840	-	4,840	#DIV/0!	-	(4,840)	781	870	7,044
Penalties and Interest	20,829	1,589	19,240	1211%	3,000	(17,829)	6,614	9,060	15,308
Restaurant Taxes	193,505	149,941	43,564	29%	273,200	79,695	172,738	148,162	129,546
Restaurant Taxes - Prior Year	641	-	641	#DIV/0!	-	(641)	88	164	1,045
Total Revenues	1,334,037	994,172	339,865	34%	1,616,144	282,107	1,098,318	1,026,118	842,550
Tourism Funding									
Additional Funding	1,449	-	1,449	#DIV/0!	26,000	24,551	-	100,000	50,000
Airline Guaranty Funding	613,873	436,714	177,159	41%	790,119	176,246	497,974	449,301	358,672
MTI Funding	667,211	528,923	138,288	26%	785,138	117,927	565,319	537,478	442,991
Total Tourism Funding	1,282,533	965,637	316,896	75%	1,601,257	318,724	1,063,293	1,086,779	851,663
Surplus / Deficit	51,504	28,535	22,969	80%	14,887	(36,617)	35,025	(60,661)	(9,113)
Administrative Fees									
Audit Fees	-	-	-	#DIV/0!	2,500	2,500	-	-	-
Total Administrative Fees	-	-	-	#DIV/0!	2,500	2,500	-	-	-
Surplus / Deficit	51,504	28,535	316,896	1111%	12,387	(39,117)	35,025	(60,661)	(9,113)
Other Sources and Uses									
Transfer (To) From Other Funds	(51,504)	(28,535)	(22,969)	80%	(12,387)	39,117	(35,025)	60,661	9,113
Total Other Sources and Uses	(51,504)	(28,535)	(22,969)	80%	(12,387)	39,117	(35,025)	60,661	9,113
Surplus / Deficit	\$ -	\$ -	\$ -		\$ -		\$ -	\$ -	\$ -

**Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015**

	2015					2014	2013	2012	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Parking Services Fund									
Revenues									
Contributions/Shared Facility Expenses	\$ 4,234	\$ 14,922	\$ (10,688)	-72%	\$ 18,500	\$ 14,266	\$ 16,754	\$ 16,687	\$ -
Fines and Forfeits	21,329	5,724	15,605	273%	7,900	(13,429)	6,735	5,086	7,145
Gondola Parking Garage	89,279	42,977	46,302	108%	95,200	5,921	63,280	61,260	56,316
Heritage Parking Garage	85,546	71,506	14,040	20%	131,000	45,454	76,361	85,496	64,899
Parking Meter Revenues	5,756	4,781	975	20%	9,500	3,744	5,406	6,590	6,442
Parking Permits	6,980	5,650	1,330	24%	12,000	5,020	7,056	5,965	3,975
Special Event Parking	19,200	18,326	874	5%	38,250	19,050	20,000	5,000	5,000
Total Revenues	232,324	163,886	68,438	42%	312,350	80,026	195,592	186,084	143,777
Operating Expenses									
Other Operating Expenses	1,319	2,462	(1,143)	-46%	4,630	3,311	315	518	1,479
Personnel Expenses	59,967	80,300	(20,333)	-25%	149,742	89,775	66,323	66,788	66,694
Gondola Parking Garage	16,760	29,073	(12,313)	-42%	66,405	49,645	24,599	20,986	21,453
Surface Lots	16,213	17,006	(793)	-5%	22,260	6,047	9,394	5,878	5,825
Heritage Parking Garage	43,809	48,408	(4,599)	-10%	98,325	54,516	74,574	63,416	71,966
Contingency	-	-	-	#DIV/0!	-	-	-	-	(22,019)
Meadows Parking	-	-	-	#DIV/0!	-	-	1,000	-	-
Total Operating Expenses	138,068	177,249	(39,181)	-22%	341,362	203,294	176,205	157,586	145,398
Surplus / Deficit	94,256	(13,363)	107,619	-805%	(29,012)	(123,268)	19,387	28,498	(1,621)
Capital									
Capital	10,896	10,800	96	1%	22,800	11,904	29,232	-	-
Surplus / Deficit	83,360	(24,163)	107,523	-445%	(51,812)	(135,172)	(9,845)	28,498	(1,621)
Other Sources and Uses									
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Overhead Allocation	(14,486)	(14,486)	-	0%	(28,971)	(14,485)	(18,315)	(15,262)	(17,546)
Transfer (To) From General Fund	(68,874)	38,649	(107,523)	-278%	80,783	149,657	28,160	(13,236)	19,167
Total Other Sources and Uses	(83,360)	24,163	(107,523)	-445%	51,812	135,172	9,845	(28,498)	1,621
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -

Parking revenues are over budget \$68,438. The budget is allocated based on how revenues were collected in the prior year. Expenditures are under budget primarily due to personnel, supplies, and utilities. The net transfer YTD to the General Fund is \$83,360.

**Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015**

	2015						2014	2013	2012
	Actual YTD	Budget YTD	Budget Variance	Budget Variance	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
			(\$)	(%)					
Gondola Fund									
Revenues									
Event Operations Funding	\$ 5,425	\$ -	\$ 5,425	#DIV/0!	\$ -	\$ (5,425)	\$ 3,825	\$ 5,499	\$ 1,608
Event Operations Funding - SMC/TOT	-	-	-	#DIV/0!	36,000	36,000	-	-	-
Grant Funding	81,206	120,256	(39,050)	-32.47%	326,837	245,631	119,914	-	-
Insurance Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Miscellaneous Revenues	100	-	100	#DIV/0!	-	(100)	2,607	3,775	2,017
Sale of Assets	10,500	-	10,500	#DIV/0!	-	(10,500)	558	-	-
TMVOA Operating Contributions	1,528,163	1,659,176	(131,013)	-7.90%	5,157,543	3,629,380	1,471,212	1,637,598	1,609,374
TMVOA Capital Contributions	142,352	141,500	852	0.60%	544,259	401,907	290,525	15,892	20,936
TSG 1% Lift Sales	139,315	101,921	37,394	36.69%	135,572	(3,743)	119,195	99,601	102,792
Total Revenues	1,907,061	2,022,853	(115,792)	-5.72%	6,200,211	4,293,150	2,007,836	1,762,365	1,736,727
Operating Expenses									
MAARS	30,180	32,779	(2,599)	-7.93%	76,965	46,785	29,609	31,929	38,448
Chondola	104,191	109,005	(4,814)	-4.42%	1,877,056	1,772,865	97,200	102,510	98,751
Grant Success Fees	-	-	-	#DIV/0!	-	-	-	18,457	-
Operations	766,860	798,133	(31,273)	-3.92%	1,735,835	968,975	727,477	729,173	721,586
Maintenance	628,681	644,918	(16,237)	-2.52%	1,216,984	588,303	583,154	578,504	588,359
FGOA	234,797	296,518	(61,721)	-20.82%	572,371	337,574	279,871	285,900	268,647
Major Repairs and Replacements	98,577	97,500	1,077	1.10%	200,000	101,423	273,788	15,892	14,101
Contingency	-	-	-	#DIV/0!	-	-	-	-	-
Total Operating Expenses	1,863,286	1,978,853	(115,567)	-5.84%	5,679,211	3,815,925	1,991,099	1,762,365	1,729,892
Surplus / Deficit	43,775	44,000	(225)	-0.51%	521,000		16,737	-	6,835
Capital									
Capital Outlay	43,775	44,000	(225)	-0.51%	521,000	477,225	16,737	-	6,835
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -		\$ -	\$ -	\$ -

Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015

	2015				Annual Budget	Budget Balance	2014	2013	2012
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)			Actual YTD	Actual YTD	Actual YTD
Child Development Fund									
Revenues									
Daycare Fees	\$ 124,780	\$ 122,123	2,657	2.18%	\$ 250,068	\$ 125,288	\$ 120,032	\$ 123,137	\$ 104,315
Fundraising Revenues - Daycare	5,454	2,924	2,530	86.53%	6,000	546	4,940	1,875	6,800
Fundraising Revenues - Preschool	3,324	6,000	(2,676)	-2.93%	6,000	(79,604)	3,980	-	-
Grant Revenues - Daycare	16,593	20,242	(3,649)	-18.03%	30,000	13,407	17,390	17,792	15,055
Grant Revenues - Preschool	9,780	3,279	6,501	198.26%	10,000	220	5,880	6,710	5,945
Preschool Fees	85,604	91,267	(5,663)	-94.38%	181,475	178,151	86,516	89,932	91,159
Total Revenues	245,535	245,835	(300)	-0.12%	483,543	238,008	238,738	239,446	223,274
Operating Expenses									
Daycare Contingency	-	-	-	#DIV/0!	-	-	-	-	-
Daycare Other Expense	27,110	40,158	(13,048)	-32.49%	74,752	47,642	29,514	32,909	27,440
Daycare Personnel Expense	144,770	159,053	(14,283)	-8.98%	347,487	202,717	136,486	149,925	157,477
Preschool Contingency	-	-	-	#DIV/0!	-	-	-	-	-
Preschool Other Expense	18,025	18,109	(84)	-0.46%	39,898	21,873	14,648	15,766	19,336
Preschool Personnel Expense	56,500	62,605	(6,105)	-9.75%	142,614	86,114	66,045	59,360	56,540
Total Operating Expenses	246,405	279,925	(33,520)	-11.97%	604,751	358,346	246,693	257,960	260,793
Surplus / Deficit	(870)	(34,090)	33,220	-97.45%	(121,208)		(7,955)	(18,514)	(37,519)
Capital									
Preschool Capital Outlay	-	-	-	#DIV/0!	-	-	-	-	-
Total Capital	-	-	-	#DIV/0!	-	-	-	-	-
Surplus / Deficit	(870)	(34,090)	33,220	-97.45%	(121,208)		(7,955)	(18,514)	(37,519)
Other Sources and Uses									
Contributions	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	870	34,090	33,220	97.45%	121,208	120,338	7,955	18,514	37,519
Total Other Sources and Uses	870	34,090	33,220	97.45%	121,208	120,338	7,955	18,514	37,519
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -		\$ -	\$ -	\$ -

Child Development revenues are \$2,900 under budget. Grant revenues are ahead of expectations due to timing. Daycare fees are now over budget while preschool fees remain under budget. Operating expenses are \$33,500 under budget due to daycare personnel costs and the scholarship program, which is grant funded. The fund ~~190~~ required \$1,789 in funding from the General Fund.

**Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015**

	2015					2014	2013	2012	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Water & Sewer Fund									
Revenues									
Mountain Village Water and Sewer	\$ 956,984	\$ 918,944	\$ 38,040	4.14%	\$ 2,083,474	\$ 1,126,490	\$ 950,816	\$ 1,022,513	\$ 980,877
Other Revenues	5,040	5,939	(899)	-15.14%	24,050	19,010	4,429	5,404	7,090
Ski Ranches Water	63,419	60,368	3,051	5.05%	126,699	63,280	62,351	61,503	62,873
Skyfield Water	10,712	8,625	2,087	24.20%	18,769	8,057	9,836	10,630	9,850
Total Revenues	1,036,155	993,876	42,279	4.25%	2,252,992	1,216,837	1,027,432	1,100,050	1,060,690
Operating Expenses									
Mountain Village Sewer	189,398	174,513	14,885	8.53%	380,264	190,866	172,402	166,727	140,631
Mountain Village Water	360,800	417,185	(56,385)	-13.52%	1,022,052	661,252	348,066	360,614	430,725
Ski Ranches Water	7,304	22,530	(15,226)	-67.58%	49,589	42,285	12,319	12,697	17,840
Contingency	-	-	-	#DIV/0!	29,038	29,038	-	-	-
Total Operating Expenses	557,502	614,228	(56,726)	-9.24%	1,480,943	923,441	532,787	540,038	589,196
Surplus / Deficit	478,653	379,648	99,005	26.08%	772,049		494,645	560,012	471,494
Capital									
Capital Outlay	251,074	279,000	(27,926)	-10.01%	2,824,383	2,573,309	113,686	135,313	203,725
Surplus / Deficit	227,579	100,648	126,931	126.11%	(2,052,334)		380,959	424,699	267,769
Other Sources and Uses									
Overhead Allocation Transfer	(61,071)	(61,071)	-	0.00%	(122,143)	(61,072)	(66,376)	(62,195)	(60,215)
Mountain Village Tap Fees	57,572	33,075	(24,497)	-74.07%	33,075	(24,497)	5,503	126,452	9,720
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Ski Ranches Tap Fees	-	-	-	#DIV/0!	5,000	5,000	5,000	-	-
Skyfield Tap Fees	-	-	-	#DIV/0!	2,000	2,000	-	-	-
Telski Tap Fee/Water Credit	-	-	-	#DIV/0!	(121,432)	(121,432)	-	-	-
Transfer (To) From General Fund	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	(3,499)	(27,996)	(24,497)	87.50%	(203,500)	(200,001)	(55,873)	64,257	(50,495)
Surplus / Deficit	\$ 224,080	\$ 72,652	\$ 151,428	208.43%	\$ (2,255,834)		\$ 325,086	\$ 488,956	\$ 217,274

Water and sewer base fees and snow making fees are exceeding budget. Excess water fees are on budget but irrigation fees are lagging. Ski Ranches revenues are over budget due to base fees. Skyfield revenues are over budget in excess water and standby fees. Other revenues are under budget in late fees and maintenance revenues.

Sewer expenditures are over budget mainly due to regional sewer charges (TOT). MV water is under budget due mainly to legal costs and electricity. Ski Ranches water costs are under budget with savings in S&W and electric. Capital costs are mainly for water rights acquisition, power generators, regional sewer costs, and the Wapiti water line.

**Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015**

	2015					2014	2013	2012	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Cable Fund									
Revenues									
Cable User Fees	\$ 413,014	\$ 428,723	\$ (15,709)	-3.66%	\$ 843,443	\$ 430,429	\$ 403,049	\$ 427,137	\$ 417,274
Channel Revenues	196	281	(85)	-30.25%	420	224	157	293	234
Internet User Fees	386,743	350,126	36,617	10.46%	713,265	326,522	347,059	298,280	284,803
Other Revenues	32,346	37,978	(5,632)	-14.83%	95,557	77,569	38,447	42,927	41,759
Phone Service Fees	17,988	16,792	1,196	7.12%	33,911	1,565	17,699	16,575	15,855
Total Revenues	850,287	833,900	16,387	1.97%	1,686,596	836,309	806,411	785,212	759,925
Operating Expenses									
Cable Direct Costs	305,318	315,736	(10,418)	-3.30%	630,747	325,429	284,848	283,698	270,996
Phone Service Costs	13,603	11,825	1,778	15.04%	23,788	10,185	10,080	10,336	10,777
Internet Direct Costs	54,000	54,000	-	0.00%	108,000	54,000	54,000	45,636	45,636
Cable Operations	235,524	274,347	(38,823)	-14.15%	579,564	344,040	264,557	264,123	268,090
Contingency	-	-	-	#DIV/0!	3,000	3,000	-	-	-
Total Operating Expenses	608,445	655,908	(47,463)	-7.24%	1,345,099	736,654	613,485	603,793	595,499
Surplus / Deficit	241,842	177,992	63,850	35.87%	341,497		192,926	181,419	164,426
Capital									
Capital Outlay	59,878	50,000	9,878	19.76%	52,500	(7,378)	28,791	89,268	-
Surplus / Deficit	181,964	127,992	53,972	42.17%	288,997		164,135	92,151	164,426
Other Sources and Uses									
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	-	-	-	#DIV/0!	-	-	(56,736)	(64,603)	(77,670)
Overhead Allocation Transfer	(54,851)	(54,851)	-	0.00%	(109,702)	(54,851)	(57,399)	(52,548)	(51,756)
Total Other Sources and Uses	(54,851)	(54,851)	-	0.00%	(109,702)	(54,851)	(114,135)	(117,151)	(129,426)
Surplus / Deficit	\$ 127,113	\$ 73,141	\$ -	0.00%	\$ 179,295		\$ 50,000	\$ (25,000)	\$ 35,000
Beginning (Available) Fund Balance	\$ 110,000	\$ 110,000	\$ -						
Ending (Available) Fund Balance	\$ 237,113	\$ 183,141	\$ -						

Cable user revenues are under budget (3.7%) and are over prior year 2.4%. Residential basic, premium and digital fees are under budget. Internet revenues are over budget 10.46% and 11% over prior year. Other revenues are under budget 15% due mainly to equipment rental. Direct costs for cable are over budget and prior year due to increasing and additional programming costs. Internet costs are on budget and prior year. Phone service revenues are over budget by 7%, while phone service expenses are over budget by 15%. This is due to certain fees, previously not charged, being added to our service costs after the budget was adopted. Cable operating expenses are under budget with savings in head end R&M, utilities, supplies, S&W, and insurance.

Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015

	2015					2014	2013	2012	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Telluride Conference Center Fund									
Revenues									
Beverage Revenues	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -
Catering Revenues	-	-	-	#DIV/0!	-	-	-	-	-
Facility Rental	-	-	-	#DIV/0!	-	-	-	-	-
Operating/Other Revenues	-	-	-	#DIV/0!	-	-	920	-	-
Total Revenues	-	-	-	#DIV/0!	-	-	920	-	-
Operating Expenses									
Wait Staff	-	-	-	#DIV/0!	-	-	-	-	-
Food Operations	-	-	-	#DIV/0!	-	-	-	-	-
Beverage Operations	-	-	-	#DIV/0!	-	-	-	-	-
General Operations	27	-	27	#DIV/0!	-	(27)	-	64	1,160
Administration	43,663	43,760	(97)	-0.22%	82,729	39,066	41,694	41,537	39,851
Marketing	10,437	11,000	(563)	-5.12%	65,000	54,563	2,000	15,335	51,406
Contingency	-	-	-	#DIV/0!	-	-	-	-	440
Total Operating Expenses	54,127	54,760	(633)	-1.16%	147,729	93,602	43,694	56,936	92,857
Surplus / Deficit	(54,127)	(54,760)	633	-1.16%	(147,729)		(42,774)	(56,936)	(92,857)
Capital Outlay/ Major R&R	-	-	-	#DIV/0!	20,000	20,000	7,691	4,229	-
Surplus / Deficit	(54,127)	(54,760)	633	-1.16%	(167,729)		(50,465)	(61,165)	(92,857)
Other Sources and Uses									
Damage Receipts	-	-	-	#DIV/0!	-	-	-	-	-
Insurance Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	54,127	54,760	(633)	-1.16%	167,729	113,602	50,465	61,165	92,857
Overhead Allocation Transfer	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	54,127	54,760	(633)	74.00%	167,729	113,602	50,465	61,165	92,857
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -

Expenses to date are HOA dues and marketing costs.

Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015

	2015					2014	2013	2012	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Affordable Housing Development Fund									
Revenues									
Contributions	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Rental Income	6,465	5,565	(900)	-16.18%	12,228	5,763	5,532	15,299	10,224
Sales Proceeds	-	-	-	#DIV/0!	-	-	-	12,952	-
Total Revenues	6,465	5,565	(900)	-16.18%	12,228	5,763	5,532	28,251	10,224
Operating Expenses									
Coyote Court	-	-	-	#DIV/0!	-	-	-	2,668	336
RHA Funding - Moved in 2014 from the GF	41,069	41,069	-	0.00%	82,138	41,069	34,640	-	-
Town Owned Properties	9,408	-	9,408	#DIV/0!	-	(9,408)	9,400	13,024	6,574
Density bank	8,856	5,000	3,856	77.12%	5,000	(3,856)	8,856	8,856	11,664
Fairway Four	-	-	-	#DIV/0!	-	-	-	-	-
Total Operating Expenses	59,333	46,069	13,264	28.79%	87,138	27,805	52,896	24,548	18,574
Surplus / Deficit	(52,868)	(40,504)	12,364	-30.53%	(74,910)	(22,042)	(47,364)	3,703	(8,350)
Other Sources and Uses									
Transfer (To) From MAP	-	-	-	#DIV/0!	(30,000)	-	-	-	-
Transfer (To) From General Fund - Sales Tax	235,229	187,525	(47,704)	-25.44%	339,889	104,660	192,226	184,807	145,138
Transfer (To) From Capital Projects Fund (1)	-	-	-	#DIV/0!	(438,430)	(438,430)	-	-	-
Transfer (To) From VCA (2)	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	235,229	187,525	(47,704)	-25.44%	(128,541)	(333,770)	192,226	184,807	145,138
Surplus / Deficit	\$ 182,361	\$ 147,021	\$ 60,068	40.86%	\$ (203,451)	\$ (355,812)	\$ 144,861	\$ 188,510	\$ 136,788
Beginning Fund Equity Balance	\$ 948,827	\$ 948,827	\$ -						
Ending Equity Fund Balance	\$ 1,131,188	\$ 1,095,848	\$ 35,340						

Expenses consist of HOA dues on town owned property and 1/2 the contribution to the Regional Housing Authority.

Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015

	2015						2014	2013	2012
	Actual YTD	Budget YTD	Budget Vary (\$)	Budget Var (%)	Annual Budget	Budget Balance	Actual	Actual	Actual
Village Court Apartments									
Operating Revenues									
Rental Income	\$ 1,127,280	\$ 1,112,972	\$ 14,308	1%	\$ 2,225,944	\$ 1,098,665	\$ 1,093,659	\$ 889,031	\$ 854,096
Other Operating Income	39,326	44,612	(5,287)	-12%	89,225	49,899	58,467	179,582	169,192
Less: Allowance for Bad Debt	(4,706)	(5,457)	751	-14%	(10,914)	(6,208)	(4,819)	(806)	(4,269)
Total Operating Revenue	1,161,899	1,152,127	9,772	1%	2,304,255	1,142,356	1,147,308	1,067,807	1,019,020
Operating Expenses									
Office Operations	82,984	89,407	6,423	7%	186,435	103,451	83,889	85,134	79,497
General and Administrative	93,865	109,539	15,674	14%	144,277	50,412	100,704	109,377	98,949
Utilities	190,337	211,761	21,424	10%	423,523	233,186	204,874	215,052	199,542
Repair and Maintenance	170,309	171,825	1,516	1%	374,354	204,045	167,288	159,698	177,812
Major Repairs and Replacement	58,894	58,873	(21)	0%	218,021	159,127	130,575	29,188	96,781
Contingency	-	-	-	0%	13,575	13,575	-	-	-
Total Operating Expenses	596,389	641,405	45,016	7%	1,360,185	763,796	687,330	598,449	652,581
Surplus / (Deficit) After Operations	565,510	510,722	54,788	11%	944,070		459,978	469,358	366,439
Non-Operating (Income) / Expense									
Investment Earning	(30)	(1,500)	(1,470)	-98%	(1,500)	(1,470)	(129)	(275)	(476)
Debt Service, Interest	214,730	215,000	270	0%	396,611	181,881	131,617	134,084	136,888
Debt Service, Fees	2,750	-	(2,750)	#DIV/0!	-	(2,750)	99,118	100,401	100,934
Debt Service, Principal	-	-	-	#DIV/0!	390,863	390,863	222,667	212,069	201,353
Total Non-Operating (Income) / Expense	217,450	213,500	(3,950)	-2%	785,974	568,524	453,272	446,279	438,699
Surplus / (Deficit) Before Capital	348,060	297,222	50,837	17%	158,096		6,706	23,079	(72,260)
Capital Spending	-	-	-	#DIV/0!	-	-	-	-	377,372
Surplus / (Deficit)	348,060	297,222	50,837	17%	158,096		6,706	23,079	(449,632)
Other Sources / (Uses)									
Transfer (To)/From General Fund	(56,542)	(56,542)	-	0%	(113,084)	(113,084)	(61,961)	(53,572)	(57,502)
Sale of Assets	-	-	-	0%	-	-	-	-	-
Grant Revenues	-	-	-	0%	-	-	-	-	46,062
Transfer From AHDF	-	-	-	0%	-	56,542	-	-	-
Total Other Sources / (Uses)	(56,542)	(56,542)	-	0%	(113,084)	56,542	(61,961)	(53,572)	(11,440)
Surplus / (Deficit)	291,518	240,680	50,837	21%	45,012		(55,255)	(30,493)	(461,073)
Beginning Working Capital	-	-	-	#DIV/0!	-				
Ending Working Capital	\$ 291,518	\$ 240,680	\$ 50,837	21%	\$ 45,012				

Rent revenues are over budget 1%, and 2% over prior year. Utility charges for prior year have been re-allocated to rents for ease of comparison. Other revenues are under budget 12% due mainly to laundry and cleaning charges revenues. Prior year variance of \$19,100 is due to cleaning charges and SMPA rebate received last year. Office operations are under budget 7%. S&W and worker's comp are under budget. General and administrative is under budget due mainly to property insurance. Utilities are under budget (10%). Maintenance is under in salaries and wages but over in workers comp. MR&R is meeting budget. Expenses include carpet replacement, bobcat lease, appliances, and cabinet replacement. Operating expenditures of \$596,389 were \$45,000 under budget.

**Town of Mountain Village
Monthly Revenue and Expenditure Report
June 2015**

	2015						2014	2013	2012
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Debt Service Fund									
Revenues									
Abatements	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	48,138	48,138	-	0.00%	206,215	158,078	49,713	51,713	53,713
Miscellaneous Revenue	-	-	-	#DIV/0!	-	-	-	-	235
Property Taxes	3,290,445	2,897,797	392,648	13.55%	3,477,157	186,712	3,347,123	3,224,994	3,149,594
Reserve/Capital/Liquidity Interest	802	2,500	(1,698)	-67.93%	6,010	5,208	3,835	3,314	4,284
Specific Ownership Taxes	74,333	40,260	34,073	84.63%	80,651	6,318	71,176	50,408	47,831
Total Revenues	3,413,717	2,988,695	425,023	140.00%	3,770,033	356,316	3,471,847	3,330,429	3,255,657
Debt Service									
2001/2011 Bonds - Gondola - Paid by contributions from TMVOA and TSG									
2001/2011 Bond Issue - Interest	48,138	48,138	-	#DIV/0!	96,275	48,138	49,713	51,713	53,713
2001/2011 Bond Issue - Principal	-	-	-	#DIV/0!	110,000	110,000	-	-	-
2002 Bonds - Water/Sewer/Parking (refunding 1992) - 77.5% Water/Sewer - 22.5% Parking									
2002 Bond Issue - Interest	-	-	-	#DIV/0!	-	-	-	-	1,805
2002 Bond Issue - Principal	-	-	-	#DIV/0!	-	-	-	-	-
2005 Bonds - Telluride Conference Center - (refunding portion of 1998)									
2005 Bond Issue - Interest	48,500	48,500	-	#DIV/0!	97,000	48,500	63,125	76,025	86,925
2005 Bond Issue - Principal	-	-	-	#DIV/0!	615,000	615,000	-	-	-
2006B/2014 Bonds - Heritage Parking									
2014 Bond Issue - Interest	142,248	142,248	-	#DIV/0!	298,416	156,168	186,694	190,894	194,994
2014 Bond Issue - Principal	-	-	-	#DIV/0!	230,000	230,000	-	-	-
2007 Bonds - Water/Sewer (refunding 1997)									
2007 Bond Issue - Interest	122,400	122,400	-	#DIV/0!	244,800	122,400	150,431	173,494	195,713
2007 Bond Issue - Principal	-	-	-	#DIV/0!	1,555,000	1,555,000	-	-	-
2009 Bonds - Telluride Conference Center (refunding 1998 bonds)									
2009 Bond Issue - Interest	16,450	16,450	-	#DIV/0!	32,900	16,450	20,650	24,525	27,900
2009 Bond Issue - Principal	-	-	-	0.00%	290,000	290,000	-	-	-
Total Debt Service	377,736	377,736	-	0.00%	3,569,391	3,191,655	470,613	516,651	561,050
Surplus / (Deficit)	3,035,982	2,610,959	425,023	16.28%	200,642		3,001,234	2,813,778	2,694,607
Operating Expenses									
Administrative Fees	900	900	-	0.00%	17,000	16,100	-	-	-
County Treasurer Collection Fees	98,744	86,342	12,402	14.36%	102,228	3,484	100,428	96,776	94,666
Total Operating Expenses	99,644	87,242	12,402	14.22%	119,228	19,584	100,428	96,776	94,666
Surplus / (Deficit)	2,936,338	2,523,717	412,621	16.35%	81,414		2,900,806	2,717,002	2,599,941

**Town of Mountain Village
 Monthly Revenue and Expenditure Report
 June 2015**

		2015				2014	2013	2012	
Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD	
Debt Service Fund									
Other Sources and Uses									
Transfer (To) From General Fund	(74,333)	(40,260)	(34,073)	84.63%	(81,251)	(6,918)	(71,176)	(50,408)	(47,831)
Transfer (To) From Other Funds	-	-	-	#DIV/0!	-	-	-	-	-
Bond Premiums	-	-	-	#DIV/0!	-	-	-	-	-
Proceeds From Bond Issuance	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	(74,333)	(40,260)	(34,073)	84.63%	(81,251)	(6,918)	(71,176)	(50,408)	(47,831)
Surplus / (Deficit)	\$ 2,862,005	\$ 2,483,457	\$ 378,548	15.24%	\$ 163	\$ 2,829,630	\$ 2,666,594	\$ 2,552,110	
Beginning Fund Balance	\$ 734,652	\$ 737,976	\$ (3,324)						
Ending Fund Balance	\$ 3,596,657	\$ 3,221,433	\$ 375,224						

2015 Financial Planning Management Summary* - Qtr 2

* This summary is a combined town revenue and expenditure summary not prepared in accordance with governmental budgeting and accounting standards, but rather to provide a summary look at the actual revenue and expenditures with debt service allocated to the appropriate fund or operation.

	Governmental Funds				Enterprise (Business-Type) Funds							Governmental Pass Through Funds				Grand Total
	General Fund 2015	Vehicle Acquisition 2015	Debt Service Fund 2015	Capital Projects 2015	Parking Services 2015	Water/Sewer 2015	Cable 2015	TCC 2015	VCA 2015	Non-major Funds Child Development/Housing Authority 2015	Total	Percentage of Total	Tourism 2015	Historical Museum 2015	Gondola 2015	
Inflows																
Revenues	\$ 6,638,864	\$ -	\$ 74,333	\$ -	\$ 232,324	\$ 1,036,154	\$ 850,287	\$ -	\$ 1,166,606	\$ 251,999	\$ 10,250,567		\$ 1,334,037	\$ 83,950	\$ 1,896,561	\$ 13,565,115
Debt Service Income																
Property Tax (Income)	-	-	-	-	1,480,700	1,151,656	-	658,089	-	-	3,290,445		-	-	-	3,290,445
Other Income	-	-	-	-	122,023	132,348	-	75,627	30	-	330,028		-	-	48,138	378,166
Total Debt Service Income	-	-	-	-	1,602,723	1,284,003	-	733,716	30	-	3,620,473		-	-	48,138	3,668,611
Inflow Subtotal (Revenues)	6,638,864	-	74,333	-	1,835,047	2,320,157	850,287	733,716	1,166,636	251,999	13,871,040		1,334,037	83,950	1,944,699	17,233,726
Other Sources and Uses (Inflows)																
Interfund Transfers In	400,235	177,553	-	-	-	-	-	54,127	-	236,099	868,014		-	-	-	868,014
Tap Fees	-	-	-	-	-	57,572	-	-	-	-	57,572		-	-	-	57,572
Sale of Assets	29,910	-	-	-	-	-	-	-	-	-	29,910		-	-	10,500	40,410
Other Sources and Uses (Inflows) Total	430,145	177,553	-	-	-	57,572	-	54,127	-	236,099	955,496		-	-	10,500	965,996
Total Inflows	7,069,009	177,553	74,333	-	1,835,047	2,377,729	850,287	787,843	1,166,636	488,098	14,826,536		1,334,037	83,950	1,955,199	18,199,723
Outflows																
Operating Expense																
Cable, Phone, and Internet Service Delivery Costs	-	-	-	-	-	-	384,851	-	-	-	384,851	6.80%	-	-	-	384,851
Consulting, Professional Services, & Comp Plan	37,285	-	-	-	-	-	570	-	7,022	450	45,327	0.80%	-	-	26,049	71,376
Dues, Fees, and Licenses	36,594	-	-	-	-	2,442	712	43,663	30,902	25	114,338	2.02%	-	1,680	3,683	119,701
Environmental Projects	30,193	-	-	-	-	-	-	-	-	-	30,193	0.53%	-	-	-	30,193
Equipment and Vehicle Maintenance	59,029	-	-	-	-	16,330	5,650	-	1,535	-	82,544	1.46%	-	-	2,761	85,305
Fuel (Vehicles)	49,102	-	-	-	160	3,064	951	-	-	-	53,277	0.94%	-	-	2,073	55,350
Funding Support to Other Agencies	38,250	-	-	-	-	-	5,000	-	-	53,679	96,929	1.71%	613,873	82,271	-	793,073
Government Buildings and Facility Expense	44,842	-	-	-	39,200	1,086	1,179	-	72,246	38,128	196,681	3.47%	-	-	21,220	217,901
Information Technology	83,912	-	-	-	6,044	-	20,354	-	2,993	-	113,303	2.00%	-	-	6,735	120,038
Legal Services	278,336	-	-	-	-	2,632	-	-	-	-	280,968	4.96%	-	-	2,423	283,391
Marketing, Public Communications, and Regional Promotion	69,496	-	-	-	-	-	527	10,437	-	-	80,460	1.42%	668,660	-	-	749,120
Other Expenses	225,319	-	-	-	10,042	-	-	27	7,362	3,971	246,721	4.36%	-	-	38,069	284,790
Personnel Expense	2,049,594	-	-	-	59,967	224,399	160,100	-	196,545	201,683	2,892,288	51.09%	-	-	1,284,469	4,176,758
Property Insurance	106,283	-	-	-	-	19,954	5,972	-	61,497	-	193,706	3.42%	-	-	32,472	226,178
Road, Bridge, and Parking Lot Paving, Striping, and Repair	15,327	-	-	-	3,608	-	-	-	-	-	18,935	0.33%	-	-	-	18,935
Supplies, Parts and Materials	51,692	-	-	-	9,091	18,679	7,746	-	26,689	2,541	116,438	2.06%	-	-	146,194	262,632
Travel, Education, and Conferences	11,603	-	-	-	9,956	1,395	2,861	-	-	-	25,815	0.46%	-	-	8,904	34,719
Utilities-W/S, Electric, Natural Gas, Internet, Phone Services	208,850	-	-	-	-	85,496	11,972	-	194,304	5,260	505,882	8.94%	-	-	163,208	669,090
Water/Sewer Service Delivery	-	-	-	-	-	182,025	-	-	-	-	182,025	3.22%	-	-	-	182,025
Total Expense	3,395,707	-	-	-	138,068	557,502	608,445	54,127	601,095	305,737	5,660,681	100.00%	1,282,533	83,950	1,738,260	8,765,425
Capital	64,391	136,579	-	45,482	10,896	251,074	59,878	-	-	-	568,300		-	-	150,047	718,347
Debt Service Expense																
Principal/Interest	-	-	-	-	-	-	-	-	214,731	-	214,731		-	-	48,138	262,869
Other Admin Fees	-	-	-	-	44,660	34,735	-	19,849	2,750	-	101,994		-	-	-	101,994
Total Debt Service Costs	-	-	-	-	44,660	34,735	-	19,849	217,481	-	316,725		-	-	48,138	364,863
Outflows (Expenses) Subtotal	3,460,098	136,579	-	45,482	193,624	843,311	668,323	73,976	818,576	305,737	6,545,706		1,282,533	83,950	1,936,445	9,848,635
Other Sources and Uses (Outflows)																
Interfund Transfers Out	467,599	-	74,333	-	83,360	61,071	54,851	-	56,542	-	797,756		51,504	-	18,754	868,014
Water/Sewer Water and Tap Fee Credits	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
Other Sources and Uses Total (Outflows)	467,599	-	74,333	-	83,360	61,071	54,851	-	56,542	-	797,756		51,504	-	18,754	868,014
Total Outflows	3,927,697	136,579	74,333	45,482	276,984	904,382	723,174	73,976	875,118	305,737	7,343,462		1,334,037	83,950	1,955,199	10,716,649
Net Budget Surplus (Deficit)	3,141,312	40,974	-	(45,482)	1,558,064	1,473,347	127,113	713,867	291,518	182,361	7,483,074		-	-	-	7,483,073
Total Beginning Fund Balance - Governmental Funds Only	7,111,942	59,908	750,646	32,030							7,954,525		-	-	-	7,954,525
Total Ending Fund Balance - Governmental Funds Only	\$10,253,254	\$ 100,881	\$ 750,646	\$ (13,452)							\$ 11,091,330		\$ -	\$ -	\$ -	\$ 11,091,330
Outstanding Debt (end of year)	\$ -	\$ -	\$ -	\$ -	\$ 7,875,000	\$ 4,885,000	\$ -	\$ 2,835,000	\$ 13,357,055	\$ -	\$ 28,952,055		\$ -	\$ -	\$ 2,595,000	\$ 31,547,055

Memorandum

Agenda Item No. 16c

August 12, 2015

TO: Town Council

FROM: Kevin Swain

RE: 2016 Town Council Budget Goals

INTRODUCTION

As the 2016 Budget adoption has now begun the next part of getting to adoption is for the Town Council to establish its broader funding goals for projects and programs in 2016. There is one hour of agenda time allotted for this discussion. As this is a worksession no action will be taken. Staff recommends that Council use this time to generate a goals based outline for staff to address in the completion of the budget draft to be introduced to the Finance and Budget committee in late August and then to the entire Council at its regular meeting in September.

2015 TOWN COUNCIL BUDGET GOALS

For 2015 budget funding priorities were established from the following goals:

- Maintain Town reserves at or above the 35% policy practiced by previous Town Councils.
- Pay down debt when it is feasible to do so.
- Investments in projects and programs to keep the town's economy stable.
- Funding for projects and programs that protect the natural environment in the Town.
- Maintain Town infrastructure to a high standard of repair and condition.
- No new debt shall be undertaken or proposed.

The 2015 budget was adopted with a General Fund total reserve of 62% of operating expenditures. That budget funded a broadband upgrade, the EDDI initiative and, trail improvements to bolster the economy by improving the business climate and the recreational opportunities in Mountain Village. Lighting efficiency improvements and solar power installations were funded and supported in the 2015 Budget. Road paving and a new waterline are examples of infrastructure maintenance and investment in the 2015 Budget. The 2015 Budget was funded with current revenues and available reserves. No new debt has been issued or contemplated.

TO: MAYOR JANSEN AND TOWN COUNCIL
FROM: DEANNA DREW, DIRECTOR PLAZAS AND ENVIRONMENTAL SERVICES
SUBJECT: WORK SESSION: VENDING CARTS IN VILLAGE CENTER
DATE: AUGUST 20, 2015
CC: KIM MONTGOMERY, TOWN MANAGER

BACKGROUND

In January and February 2015, a vending cart operator approached Town Council for permission to relocate his food cart from Sunset Plaza to Heritage Plaza in an attempt to generate more business from a different location. After debate and discussion, the Town Council voted 3-3 then 5-2 to deny the request, but asked staff to bring the issue back for a work session to review current vending cart policies.

HISTORY

Vending carts have existed in Village Center since approximately 2000. In 2009 the Town Council approved a resolution (2009-1015-14) adopting vending cart guidelines, regulations and fees. From 2010-2013, these guidelines, regulations and fees were amended and eventually incorporated into the new Community Development Code, Chapter 17.5.15, Design Regulations for Commercial, Ground Level and Plaza Area Design Regulations (pages 169-173.) The current vending cart regulations are attached.

A public debate of whether or not vending carts should be allowed in the Village Center has existed from the beginning, between those who believe these vendors take too much business away from established merchants, and others who believe these vendors provide additional services and goods that enhance the Mountain Village experience. Internally, there has also been debate between members of Town Council over to what extent government regulates business enterprise and the free market.

THE ISSUES

Staff believes the following issues should be addressed during this work session:

1. **Shall vending carts exist in Village Center?** This is a philosophical question that only Town Council can answer.
2. **Shall the “no competition” restriction be placed on vendors?** This clause is somewhat challenging to enforce, as restaurants have the ability to change their menus at will, and because it is difficult for staff to clearly and definitively assess if one item or service is technically “the same” as another.
3. **Shall vending carts for food, beverage, goods, and services be permitted?** Currently we host a ski waxing service as well as food carts.
4. **Number and location of vending carts in Village Center:** Currently three carts are permitted in Heritage Plaza, one in Sunset Plaza and one in Conference Center Plaza. Staff feels the outlying plaza areas currently do not have the appropriate infrastructure and/or foot traffic to support a successful vending cart operation.
5. **Fees and Taxes:** Current vending cart fees include: \$250 application fee; \$250/month permit fee; \$500 security bond for damages. Sales tax applies to carts that sell food/beverage and goods. Restaurant Tax also applies to food/beverage carts. No taxes are collected from carts that provide services. Trash and cart storage fees have not been established.
6. **Selection Process:** Regardless of the outcome of these discussions, staff suggests amending the current regulations to clarify the selection process for new vending cart applications. Staff suggests transitioning the current “first come first served” policy to one that honors returning vendors in good standing, and develops a deadline and lottery system for available spaces.

The returning wax and crepe carts have valid permits for the 2015/2016 winter season.

Staff currently has two additional vending cart applications pending for Heritage Plaza this upcoming winter season. Under the current regulations there is one space available, however, both applications would be denied due to the vendor offering “the same” product as an existing business.

E. Vending Regulations

1. Purpose and Intent

The Vending Regulations are intended to regulate vending and the location, design and use of vending carts and to ensure such activities do not create a detrimental effect on existing businesses. These regulations are also intended to foster new businesses that then transition into brick and mortar structures.

2. Applicability

The Vending Regulations are applicable to any person or entity desiring to conduct food and retail vending on a plaza area in the town.

3. Review Process

- a. Vending cart development applications shall follow the class 1 application process except:
 - i. The vending permit administrator shall evaluate and make a recommendation on a vending permit development application to the Town Manager based on the requirements of this section, and the Town Manager shall approve or disapprove the application; and
 - ii. The vending permit administrator shall prepare a memo to the Town Manager that demonstrates how a development application complies or fails to comply with the vending permit criteria for decision and the requirements of this section.
- b. The actual location and placement of each vending business shall be as set forth by the Town Manager in consultation with the vending permit administrator.

4. Criteria for Decision

- a. The following criteria shall be met for the review authority to approve a vending cart:
 - i. The application meets the requirements and limitations of the Vending Regulations;
 - ii. The application does not propose to provide the same food or beverage, goods or services as an existing business within the surrounding plaza area, and the proposed vending business will provide for a diversity of goods and services;
 - iii. The proposed vending cart has been designed and shall be operated in accordance with the Plaza Use Standards;
 - iv. For vendors having obtained a prior vending permit and operated a vending business in the town, a demonstration of substantial compliance with then-in-affect requirements of the Town;
 - v. The applicant has the ability to comply with the requirements of the Vending Regulations and any necessary vending permit conditions; and
 - vi. The proposed vending cart meets all applicable Town regulations and standards.

- b. It shall be the burden of the applicant to demonstrate that submittal material and the proposed vending business substantially comply with the Vending Regulations.
- c. The Town Manager will have sole and absolute discretion in granting a vending permit and will base its decision on the town's needs for vending at that time.

5. General Standards

- a. **Location and Number.** The number of vending carts and associated vending permits in plaza areas shall be limited as follows:
 - i. Three (3) on Heritage Plaza;
 - ii. One (1) on Conference Center Plaza; and
 - iii. One (1) on Sunset Plaza.
- b. **Additional Vending Carts.** The Town Council may permit additional vending carts on plaza areas, in its sole discretion.
- c. **Vending Cart Season.** Vending carts are allowed throughout the year with no limitation on season, but with required operations vending carts as follows:
 - i. **Summer Season:** Vending carts shall operate a minimum of four (4) days per week, four (4) hours per day from the Saturday preceding Memorial Day through the Sunday of Blues and Brews unless otherwise approved by the vending permit administrator.
 - ii. **Winter Season:** Vending carts shall operate a minimum of five (5) days per week, four (4) hours per day from the ski area opening until ski area closing unless otherwise approved by the vending permit administrator.
- d. **Development Application Priority.** Development applications for vending activities shall be processed by the vending permit administrator in order of receipt with a first-come, first-served philosophy.
- e. **Vending Cart Required.** Vending is only allowed from an approved vending cart.
- f. **Vending Permit Required.** No person shall stage, operate or have present a vending cart within the town without a valid vending permit issued in accordance with this section.
- g. **Limits on the Hours of Operation.** The Town may set hours of operation, limitations on and similar measures for vending activities to ensure no adverse impacts to residents and guests.
- h. **Amplified Music Prohibition.** Amplified music for vending is prohibited.
- i. **Special Event Vending.** A vending permit is not required for vending that is approved as a special event.
- j. **License Agreement Required.** The vending permittee shall enter into a license agreement with the Town for the vending operation in such form, manner and content as determined by the Town.
 - i. A license agreement having a term of more than one (1) year shall be reviewed annually by the Planning Division.
 - ii. License agreements may be issued for a term of up to three (3) years at the discretion of the Town Manager.

- iii. Notwithstanding any other provisions therein, a vending cart license agreement shall provide for indemnification of the Town from any liability for damages resulting from the operation of the vending business and for general liability insurance in such amounts as determined by the Town and naming the Town as an additional insured.
 - k. **Required Documentation.** Once the development application has been approved by the Town, but prior to the issuance of a vending permit, the applicant shall submit the following prior to the commencement of operations:
 - i. Proof of insurance satisfactory to the Town;
 - ii. Town business license;
 - iii. Colorado sales tax license;
 - iv. For prepared food, San Miguel Environmental Department permit;
 - v. Cash security deposit with the Town in an amount determined by the Town for the purpose of guaranteeing the repair of any damage to plaza areas caused by the vending operation; and
 - vi. Executed license agreement as required by this regulation.
- 6. **Non-transferable.** The vending permit shall not be transferable or assignable.
- 7. **Non-interference.** No person engaged in vending shall make any unnecessary sounds or noise, nor obstruct any pathway or other public property, nor disturb or impede other persons or otherwise create any public nuisance. The use of radios, stereos or any other audio systems in connection with any vending is prohibited.
- 8. **Vehicles.** Private vehicles for vending are prohibited in the plaza areas for any purpose unless the Town has issued a plaza area access permit pursuant to the Municipal Code.
- 9. **Area Maintenance.** Vending permittee shall maintain both the permitted area, the immediate area surrounding the permitted area, the plaza area surface (washing down pavers, clean pavers, etc.) and the vending cart in a neat, clean and hazard free condition.
- 10. **Cleaning.** Vending permittee shall clean the areas of the designated vending cart location that are covered by the permit by removing debris, trash, sweeping and washing down the location as needed to the satisfaction of the Town. The cleaning shall be conducted as frequently as each day, if necessary, to prevent debris or trash from being blown or scattered around the plaza area.
- 11. **Repair of Damage.** Vending permittee shall, to the satisfaction of the Town, repair and/or replace any damage to any portion of the permitted vending cart area only to the extent any damages shall be caused by or in connection with permittee's use thereof, including without limitation the placement of personal property on the plaza area.
 - a. All costs for such repair or replacement shall be the responsibility of the permittee.
 - b. The Town, in its sole discretion, shall determine when the vending area is in need of repair or replacement due to the activities of permittee and/or its customers in the vending area.
 - c. The Town may suspend a vending permit for failure to pay for damage or the payment of a required damage deposit.
- 12. **Snow Removal.** The vending permittee shall move the vending cart per request of the Town for snow removal and/or plaza maintenance when necessary.
- 13. **Recycling and Trash.** Vending applicants must provide a written plan for recycling and disposal of trash generated by the business. The use of Town trash or recycling

- receptacles shall require the vending permittee to pay to the Town, in advance, a trash fee as established in the fee resolution of for pick-up of trash from a nearby public container.
14. **Pedestrian Access to Seating Areas.** The vending cart shall not block a public outdoor dining and seating areas.
 15. **Monthly Vending Fees.** The vending permittee shall remit the monthly vending fee as set forth in the fee resolution, with such fee to be due and payable on the first of each month. Vending fees shall be prorated for partial months in each season.
 16. **Plaza Location.** The Town has the right to relocate the site of the carts of vending permit holders within all of the designated plaza areas. The vending permit administrator shall notify the vending permittee three (3) days prior to any vending cart relocation.
 17. **No Encroachment.** Vending permittee shall have the obligation to prevent encroachment of the vending cart or any related vending equipment or permittee property onto areas of the plaza outside the designated vending cart location except for any approved storage location shown in the required license agreement.
 18. **Required Hours of Operation.** Hours of operation are expected to be consistent, weather and health permitting.
 - a. Any change in the scheduled days of operation shall be approved by the vending permit administrator.
 - b. Extended absences of vending operations by a permittee shall be approved by the review authority.
 - c. From Thanksgiving through April 1 of each ski season, a permittee shall operate a vending cart for a minimum of five (5) days per week, for at least four (4) hours per day.
 - d. The five (5) days per week that the vending cart is open shall be consistent throughout the operating season.
 - e. The vending permit administrator shall establish summer required operating hours and days for the months of May through September.
 19. **Abandon/Surrender.** A permittee without written authorization from the Town acknowledging extenuating circumstances, who fails to conduct vending operations during the required hours of operation for a period of two (2) consecutive weeks during the designated season, will be considered to have surrendered and abandoned his or her vending permit. The Town shall have the right to reassign that space to another applicant. The Town has the right to refuse to authorize an absence. The Town shall send written notice of the surrender and abandonment of the permit to the permittee.
 20. **Utility Fees.** The Town may require a vending cart operator to pay utility fees if the vending cart operation uses electric utilities. The use of generators is prohibited.
 21. **Revocation and Suspension.**
 - a. Any vending permit issued hereunder may be revoked or suspended by the Town Manager for a violation or breach of a term or condition of the permit, including, but not limited to:
 - i. Operation of a vending cart in a location other than that approved or outside the permitted area;
 - ii. Failure to pay monthly vending cart fee;
 - iii. Failure to clean areas of the designated vending cart location;
 - iv. Failure to remain in operation during the minimum number of business hours or days;
 - v. Failure to maintain the design of a vending cart or vending cart signs in

- vi. Failure to pay for the repair and/or replacement of any damage to any portion of the permitted vending cart area caused by or in connection with permittee's use thereof;
 - vii. Changing the use of the vending cart that does not comply with the approved development application;
 - viii. Failure to remove vending cart from designated location as required by the vending permit;
 - ix. Permittee violates any provision of this CDC or other ordinance of the Town governing the activities permitted by the vending permit;
 - x. The permittee obtained the vending permit by fraud or misrepresentation; and/or
 - xi. The permittee is convicted of an offense that would create a danger to the public health, safety and welfare following issuance of the vending permit.
- b. No permittee whose vending permit has been revoked may receive a refund of any part of the permit fee paid.
 - c. Upon revocation or expiration of any vending permit, the permittee shall remove all structures or improvements from the permit area and storage area and restore the area to its condition existing prior to issuance of the permit within forty-eight (48) hours of revocation or expiration of permit.
 - d. If the vending permit is revoked, the permittee may not apply for the same type of permit for one (1) year after the effective date of the revocation.

17.5.16 RIDGELINE LOTS

- A. There are two (2) ridgeline areas of the town:
 - 1. **The Ridge Area.** The ridge area consists of the following legally described lots as may be amended from time-to-time by replat: 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1, 161D-2.
 - 2. **Ridgeline Lots.** The ridgeline lots consists of the following legally described lots as may be amended from time-to-time by replat: 89-3A, 89-3B, 89-3C, 105R1, 82R1, 114, 115, 116, 126R, , 143A, 144BR, 144A, 145A, 146B, 146A, 147A, 147B, 147C, 650, 648BR, 649R, 643B, 643A, 621, 620, 617, 616C, 616B, 616A, 615-1CR, BC513E, BC 513D, BC513AR, BC107, BC 106, BC105, BC104, BC103, BC102 and BC101.
- B. The following requirements apply to the ridge area as defined in section A.1 above:
 - 1. All improvements are subject to a ridgeline covenant with San Miguel County as recorded at reception number 329093. The Town does not enforce the ridgeline covenant, with enforcement solely administered by San Miguel County.
 - 2. The building height on Lot 161A-1R shall not exceed 35 feet (35') along the ridgeline of such building.
 - 3. Building height on other ridge area lots shall not exceed the lesser of:
 - a. The height of forty-five feet (45'); or
 - b. The maximum height allowed to the view plane limitation set forth in section 4 below.

Susan Johnston

From: Deanna Drew
Sent: Thursday, August 13, 2015 1:24 PM
To: Jackie Kennefick; Susan Johnston; Kim Montgomery
Subject: FW: Vendor Work Session Comments

From: Nathan Prendergast [<mailto:np81435@hotmail.com>]
Sent: Thursday, August 13, 2015 10:34 AM
To: Deanna Drew
Subject: Vendor Work Session Comments

Greeting Mtn Village Town Council

This is Nathan Prendergast owner of The Wax Guru vending cart operated in Heritage Plaza. I unfortunately can't attend the August 20 meeting as I am out of state for the summer.

I first would like to start off with some information about myself and my business. I have owned and operated The Wax Guru in the Mtn Village since the 2002-2003 ski season. Since that time, I have served thousands of tourists and locals alike as well as given directions, restaurant recommendations, snapped family photos for people and been an ambassador for the Telluride region. Over this time I have seen great changes in both the Mtn Village and Telski itself. Since I have been waxing skis in the plaza there have been three different owners of Telski, the Gold Hill and Prospect Bowl expansions, the build out of the core, and seasons of both thin and plentiful snowpack.

The Winter Vending Program, as I understand it, was created in order to bring foot traffic from the gondola and the base of lift 4 into the Heritage Plaza. The idea behind vending carts was to bring vitality and services to the then unfinished Mtn Village core. I would argue that the carts succeeded in bring vitality and foot traffic into the core. This traffic was a benefit to the brick and mortar restaurants and retail shops as well as the individual vendors. There was also an unforeseen benefit, the vending carts became an integral part of the culture of the Mtn Village and the Telluride ski experience.

I think we can all agree that skiing in Telluride is a unique experience that cannot be found at any other ski area in the United States. It is the mix of terrain, amenities, service, European feel and Western ski culture that set us apart from the rest. Because of this, our clientele consists of repeat customers, condo and home owners who truly appreciate all we have to offer. Our guests value personalized service and seeing familiar faces year after year. At The Wax Guru, I have had many of the same customers for over a decade. I know them by name, have seen their families grow and have grown with them myself. I feel it benefits everyone to keep as much of this personalized service experience in tacked.

Now about The Wax Guru itself. I am aware that there are concerns that The Wax Guru unfairly competes with brick and mortar ski shops in the core. The Wax Guru vending cart offers one product. This product consists of a temperature/condition specific ski or board wax and a edge deburr. No more no less. Wax is applied by hand with a hot iron. it is then scraped and buffed by hand. The entire process takes about 10 minutes. To my knowledge the ski shops in the core only offer a hand wax as an overnight service. They can

offer a quick wax applied by a belt waxer in a similar time frame as my service. Without getting too technical, the process and results of a hand wax and that of a belt waxer are very different. I feel this distinction of process and time frame show that The Wax Guru is not in direct competition with any established ski shop. Beyond that, roughly one in ten potential customers at The Wax Guru need a full tune on their equipment and are referred to a ski shop in the core.

Over the years many vending carts have come and gone but two have remained. These two vendors are The Wax Guru and Le Place de Crepes. Through bad weather, lean snow years, good business and slow business, Bertrand and I have hung in there and done the best we can to serve Mtn Village. We are part of this community, part of the lives of our guests, and part of our unique ski culture. Please vote to continue the winter vending program in the Mtn Village.

Best regards,

Nathan Prendergast
The Wax Guru



"We are committed to giving our customers the best personalized experience to fully enjoy the outdoors we love."

MV Plaza Vendor Meeting

8 18 15

First and primarily, activity in the plaza draws people. It creates the body heat that brings footsteps through the plaza. That is a very good thing for Mountain Village merchants. An empty plaza is foreboding. It harkens back to "The Lost People of the Mountain Village". The vendor carts have been a key in stimulating activity on Heritage Plaza.

On the critical side, we merchants pay dearly for the real estate we operate in. We staff for business 7 days a week at a high cost. We pay for advertising and services to support our business, pay gas, electric, high cost freight, licensing fees, legal fees, accounting, etc... We deal with intense competition locally and on line. The minimal overhead paid by competing vending carts can be harmful to the costly needs of brick and mortar operators. We have systems to accurately track receipts and pay taxes to the full extent.

The system for cart vendors needs to establish overheads to keep them operating on an even field with brick and mortar.

Bob Gleason

BootDoctors

Jackie Kennefick

From: Sue Kunz
Sent: Thursday, August 20, 2015 1:04 PM
To: Jackie Kennefick
Subject: comments

PERA:

Employer contribution is 13.7% (which includes the 1.9%)

No one is eligible for 100% of PERA. Retirement is based on a % of your highest average salary.

For example, an employee that retires at age 65 with 35 years of service is eligible for 87.5%.

An employee that retires at age 65 with five years of service is eligible for 12.5%

The town has 11 shuttles available (not 21).

The shuttles only run when there are enough riders on that route that day. Not all shuttles run 7 days / week.

401(k): only full time, year round employees are eligible and not eligible employees contribute

Employees hired after 4/1/2008 are eligible for a 2-5% match, based on years of service

Employees hired before 4/1/2008 are eligible for a 1-9% match, based on years of service

Sue Kunz
Director Human Resources
Town of Mountain Village
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