

**LODGE AT LIONSHEAD III CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNERS MEETING
March 5, 2016**

Call to order and determination of quorum.

President Jeff Bosboom called the meeting to order at 4:06 p.m. in the Lionsquare Lodge & Conference Center, Columbine Room.

Owners present were:

Marilyn and Ken Sandstad (Unit #1)

Betty and Gene Hill (Unit #2)

Eustaquio Cortina (Unit #4)

Marion and John DuPont (Unit #8)

Jeff Bosboom (Unit #10)

Owners attending the meeting via conference line were: Mindy Nelkin (Unit #6) and Felipe Esteve (Unit #11). Also, Mark Appleman, attorney and proxy holder for Don Erftmlier (Unit #7).

Also present were Jeff Bailey and Joy Dunham, of Peak Resort Services, Inc., Geoff Gray of McMahan and Associates, Association accountants.

Owners that provided proxy forms were: Marco Iragorri (Unit #3) and Luis Diaz Torre (Unit #5) to Eustaquio Cortina. Inaki de Ablega (Units #9 & #12) to Jeff Bailey.

A quorum was established with 100% of membership represented in person, calling in or by proxy.

The Notice of Annual Meeting was reviewed and accepted.

The minutes of the March 7, 2015 Annual Meeting of Ownership were reviewed. Management reviewed the following language that was added to the minutes per a request made by Gene Hill "Ownership next discussed the funding method for the approved capital replacement projects and the replacement fund. A discussion ensued regarding the philosophies of funding via regular quarterly assessments or special assessment and how to pay for the upcoming project expenditures. The general consensus of the owners was to keep the capital replacement fund assessments low and to continue the use of special assessments to fund the majority of large project expenditures". After discussion, a **motion was made by John Dupont to approve the amended minutes. Motion seconded and passed unanimously, with one abstention (unit #7).**

Financial Review

Geoff Gray, accountant with McMahan and Associates, LLC presented the financial report.

Motion made by Gene Hill to accept the financial review. Motion seconded and passed unanimously, with one abstention (unit #7).

Tax Resolutions.

Geoff Gray presented 2 resolutions that the accountants recommend the Association approve at the Annual Meeting:

1. Resolution on Capital Contributions. That amounts collected or paid to the Association for Capital Replacement purposes for the fiscal year ended October 31, 2015 shall be set aside for future major repairs and replacements and allocated to capital components as provided by the guidelines established by IRC Section 118 and Revenue Rulings 75-370 and 75-371.
2. Resolution on excess income. That excess membership income over membership expense collected by or paid to the Association for the year ended October 31, 2015 shall not be directly refunded to owners, but shall be applied against subsequent tax year member assessments as provided by IRS Ruling 70-604.

Motion made by Jeff Bosboom to approve both tax resolutions. Motion seconded and passed unanimously, with one abstention (unit #7).

Management reviewed with ownership the operating budget FYE 10/31/2016. The budget had previously been approved by the Board of Managers. The total budget and assessment level remains the same as prior year \$219,712. After Discussion, **a motion was made by John DuPont to approve the operating budget as presented. Motion seconded and passed unanimously.**

Approved budget is attached to these minutes.

Old Business

Management reviewed with ownership the Capital Replacement projects completed FYE 10/31/2015.

Jeff Bosboom gave a brief update on the status of condominium document modernization process and lawsuit.

Jeff Bosboom and management reviewed with ownership the completed bike path improvement project and easement agreement reached between the Association and the Town of Vall.

New Business

Eustaquio Cortina presented his request for the removal of the large spruce tree located on the south east of the building. Jeff Bosboom next asked that each owner in attendance and on the phone to give their opinion on the tree removal request. Eustaquio and Jeff Bailey gave the opinion of the owner's that they held proxy forms for. After discussion, **Motion made by Jeff Bosboom to direct management to apply for Town of Vail permit for tree removal, contract with High Country Forestry for tree removal, provide the Board of Managers with a concept for re-vegetation of the area that the tree is removed and along with any requirements that come from the Town of Vail DRB. Tree removal project along with any re-vegetation costs will be a common expense and paid for from the Capital Replacement Fund. Motion was seconded and passed with 9 owners in favor and 3 opposed (Units #9 & 12 De Abiega and Unit #5 Torre).**

Management provided a report on the Capital Replacement projects proposed FYE 10/31/2016. Total proposed expenditures including the tree removal is \$75,700. The main project is the east and west exterior stair repair. Management reviewed all of the proposed projects with ownership and fielded questions. **Motion made by Jeff Bosboom to accept the proposed Capital Replacement projects FYE 10/31/2016, totalling \$75,700. Motion seconded and passed with 10 in favor, 1 opposed (unit #5 Torre) and 1 abstention (Unit #7 Erftmier).** Approved project list attached.

Ownership next discussed the funding method for the approved capital replacement projects and the replacement fund. Management requested that ownership take note of the numerous projects upcoming and directed ownership to the updated Capital Replacement Fund Study both on the Association web-site and a section included in the meeting packet. A discussion ensued regarding the Association's past preference to fund Capital Projects via special assessment vs. increasing the amount paid quarterly into the replacement fund. **Motion made by Gene Hill to leave the capital replacement fund assessment level at \$39,840 and to have a special assessment of \$35,000 with the goal of an end of year replacement fund balance of \$85,000. Motion seconded and passed unanimously, with one abstention (unit #7).**

Ratify Actions of Board of Managers.

Motion made by Marion DuPont to ratify all actions of the Board of Managers for the previous year. Motion seconded and passed unanimously, with one abstention (unit #7).

Elections

Motion made by Jeff Bosboom to nominate the same slate of Board Members for another one year term. Motion seconded and passed unanimously, with one abstention (unit #7). The Board of Managers FYE 10/31/2016 will be Marilyn Sandstad, Inaki de Abiega, Mindy Nelkin, Jeff Bosboom and John DuPont.

Schedule for the 2017 Annual Meeting.

Next Annual Meeting was scheduled for March 4, 2017.

Adjournment.

Jeff Bosboom adjourned the meeting at 5:46 pm.

**LIONSHEAD III CONDOMINIUM ASSOCIATION
 PROPOSED OPERATING BUDGET
 FOR YEAR ENDING OCTOBER 31, 2016**

	2015	2015	2016
	BUDGET	ACTUAL	Proposed
REVENUE			
Assessmenets	219,712	219,712	219,712
TOTAL REVENUE	219,712	219,712	
EXPENSES			
Trash Removal	4,500	4,784	4,900
Snow Removal	10,000	8,423	10,000
Landscape Maintenance	12,000	12,878	13,000
Professional Fees - Accounting	3,520	3,625	3,750
Professional Fees - Legal	20,000	8,757	10,000
Office Expense	750	523	750
Management Fee	39,017	39,017	42,919
Insurance	29,000	24,313	29,000
Fire Alarm - Test & Inspect	2,500	2,259	2,500
Pool Maintenance	7,500	7,659	8,000
Building Maintenance	13,500	13,715	14,000
Water and Sewer	10,500	10,663	10,500
Gas - Pool	4,500	4,157	4,500
Gas - Snowmelt System	5,675	4,530	5,675
Electricity	8,500	8,371	8,500
Comcast Bulk Cable	8,200	8,359	8,900
Common Area Cleaning	6,500	5,455	6,500
Maintenance Man	17,850	19,728	20,000
Elevator Expense	9,500	9,230	9,500
Management Office Expense (unit C-3)	3,000	3,169	3,200
Unit 290 Expenses	1,100	1,149	1,100
Miscellaneous/ Contingency Expense	100	0	168
In-Room WI-Fi	1,500	2,165	1,750
Meeting Expenses	500	546	600
TOTAL EXPENSES	219,712	203,475	219,712
VARIANCE		16,237	

**LIONSHEAD III CONDOMINIUM ASSOCIATION
CAPITAL IMPROVEMENT PROJECTS APPROVED
FYE 10/31/2016**

BEGINNING BALANCE:		\$ 86,868		
Revenues				
Quarterly Assessments		\$ 39,840		
TOTAL REVENUE:		\$ 126,708		
PROPOSED PROJECTS:				
EXTERIOR STAIRS				
Engineering		7,500.00		
Project		53,500.00		
Tree Removal		4,000.00		
Landscape/ Bike Path		1,700.00		
Interior Painting		1,500.00		
Pool/ Spa Component Contingency		2,500.00		
Contingency		5,000.00		
TOTAL PROPOSED EXPENDITURES:		\$ 75,700.00		
Anticipated ending fund balance with no special assessments or quarterly increases				
ENDING FUND BALANCE:		\$ 51,008.00		
ANNUAL CAPITAL REPLACEMENT FUND ASSESSMENT HISTORY				
Prior to 2004		13,200.00		
2004 - 2013		15,840.00		
2014		27,840.00		
2015		39,840.00		