

**LODGE AT LIONSHEAD III CONDOMINIUM ASSOCIATION  
ANNUAL HOMEOWNERS MEETING  
March 2, 2019**

Call to order and determination of quorum.

President Jeff Bosboom called the meeting to order at 4:03 p.m. in the Vail Library Community Room.

Owners present were:

Claudia Cortina (Unit #4)

Luis and Gabriela Diaz Torre (Unit #5)

Jeff Bosboom (Unit #10)

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

Owners that provided proxy forms were: Gene Hill (Unit #2), Mindy Nelkin (Unit #6) to Jeff Bosboom. John Dupont (Unit #8) to Jeff Bailey and Inaki De Abiega (Unit #9 & 12) to Luis Diaz Torre.

A quorum was established with 65.10% of membership represented in person or by proxy.

The Notice of Annual Meeting was reviewed and accepted.

The Minutes of the March 3, 2018 Annual Meeting of Ownership were reviewed.  
**Motion was made by Luis Diaz Torre to approve the minutes as presented. Motion seconded and passed unanimously.**

Financial Review

Michael Sherven, accountant with McMahan and Associates, LLC presented the financial report.

**Motion made by Luis Diaz Torre to accept the financial review. Motion seconded and passed unanimously.**

Tax Resolutions.

Michael Sherven 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, 2018 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, 2018 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 Luis Diaz Torre to approve the 2 Tax Resolutions as presented. Motion seconded and passed unanimously.**

Michael Sherven departed the meeting at 4:15 pm.

Management reviewed with ownership an Operating Budget Explanation Report and the Operating Budget FYE 10/31/2019. The total budget and assessment level proposed increased 2% to \$237,609. Management reviewed the expense line item changes from the previous year's budget. The Pool and Hot Tub Maintenance expense line item was discussed in detail. This was a \$1,500 increase over the previous year and was increased in order to fund the pool and hot tub opening year around. **Motion made by Luis Diaz Torre to lower the Pool and Hot Tub expense line item \$1,500, from \$9,500 to \$8,000 and to approve an Operating Budget and Assessment level of \$236,109. Management directed to send out an explanation of this budget and the requested increase for the Pool and Hot Tub expense to owners and survey their responses. \$1,500 will be added back into budget if majority of Owners are in favor. Motion seconded and passed unanimously.**

Approved budget is attached to these minutes.

#### Old Business

Management reviewed with ownership the Capital Replacement projects completed FYE 10/31/2018. Completed projects report is attached to these minutes.

Jeff Bosboom gave a brief update on the status of the litigation and Court Petition Process. Jeff stated that both are over with.

Management provided, in the meeting packet, copies of the filings of the approved Condominium Documents from March and September of 2018.

## New Business

Management provided an update on the "Civic Area Planning Process" currently underway with the Town of Vail. Management encouraged Ownership to participate fully in this process because it will shape the future of the neighborhood. Management recommended and the Owners agreed, that it would be a good idea to create a letter to the Town of Vail, from all three LAL Associations, outlining the Association's positions regarding this master Plan. Management will put this together for the Board to review.

Management reviewed the "Fitness Center Use Agreement" document that was created in 2013. This agreement, between LAL I, II and III, provides access to all LAL III Owners and Guests to the fitness center in LAL I, as long as LAL III contributes to future renovations and equipment purchases, at the General Use expense sharing split of 26%. There is a current renovation being considered with a \$150,000 project budget. This would require a \$39,000 contribution from the Association, if it wants to continue to use this amenity. Management was directed to provide a summary of the proposed project to the Owners and to include this funding question as part of the same survey as the pool and hot tub operations.

Management presented a proposal from Comcast to upgrade the Associations Bulk Cable agreement to also include Xfinity X1 Video, Internet and Voice Services. Cost analysis show a savings on this package to Ownership/Association of over \$2,000 annually. Comcast has upgraded the main service to the building which now makes this possible. Some units may have deficient internal wiring that will need to be corrected in order for the upgraded services to function at optimal levels. Management was directed to include information on this Comcast upgrade to Ownership as part of the previously mentioned survey.

Management provided a report on the Capital Replacement projects proposed FYE 10/31/2019. Total proposed expenditures \$35,260. Projects were discussed and owners decided not to approve the combination key/code lock mechanisms for the side gate and east/west entry doors. This reduced the total project estimated costs to \$31,260. **Motion made by Luis Diaz Torre to accept the revised capital replacement projects FYE 10/31/2019, totaling \$31,260. Capital replacement fund quarterly assessments will remain the same and there will be no special assessment for the year. Motion seconded and passed unanimously.** Approved project list attached to these minutes.

Jeff Bosboom reviewed with Ownership the Capital Replacement Projects coming up in 2020 and 2021. These projects total over \$210,000. Jeff led a discussion on if Ownership would prefer to fund for these upcoming expenses via increase in quarterly assessments or special assessment. Preference of Ownership in attendance was to keep quarterly assessments low and fund for these upcoming Capital Replacement projects in 2020 and 2021 via special assessment. **Jeff Bosboom requested that all owners realize, that based on this funding decision, there will be special assessments for the projects planned in 2020 and 2021. Owners should budget accordingly.**

Ratify Actions of Board of Managers.

**Motion made by Claudia Quijano to ratify all actions of the Board of Managers for the previous year. Motion seconded and passed unanimously.**

Elections

Jeff Bosboom explained that four current Board of Directors: Jeff Bosboom, Mindy Nelkin, Inaki de Abiega and John DuPont are all seeking another one-year term. Luis Diaz Torre indicated that he would be interested in serving on the Board.

**Motion made by Jeff Bosboom to elect the same slate of Board Members and Luis Diaz Torre to the Board. Motion seconded and passed unanimously.** The Board of Managers FYE 10/31/2019 will be Luis Diaz Torre, Inaki de Abiega, Mindy Nelkin, Jeff Bosboom and John DuPont.

Schedule for the 2020 Annual Meeting.

Next Annual Meeting was tentatively scheduled for Saturday, March 7, 2020 at 4:00 pm.

Adjournment.

Jeff Bosboom adjourned the meeting at 5:34 pm.

**LODGE AT LIONSHEAD III CONDOMINIUM ASSOCIATION**  
**APPROVED OPERATING BUDGET**  
**FOR YEAR ENDING OCTOBER 31, 2019**

	<b>2018</b>	<b>2018</b>	<b>2019</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>APPROVED</b>
<b>REVENUE</b>			
Assessmenets	233,250	233,250	236,109
<b>TOTAL REVENUE</b>	<b>233,250</b>	<b>233,250</b>	<b>236,109</b>
<b>EXPENSES</b>			
Trash Removal	5,800	5,950	6,200
Snow Removal	7,500	8,353	10,000
Landscape Maintenance	13,000	13,839	13,000
Professional Fees - Accounting	3,860	3,975	4,000
Professional Fees - Legal	10,000	15,057	6,000
Office Expense	750	604	750
Management Fee	42,919	42,918	45,065
Insurance	38,027	38,875	40,000
Fire Alarm - Test & Inspect	2,500	2,160	2,200
Pool Maintenance	8,000	8,586	8,000
Building Maintenance	15,000	14,026	15,000
Water and Sewer	11,200	11,820	11,200
Gas - Pool and Hot Tub	4,500	4,423	4,500
Gas - Snowmelt System	5,500	3,914	6,000
Electricity	8,900	8,823	8,900
Comcast Bulk Cable	9,500	8,066	9,000
Common Area Cleaning	7,000	6,501	7,000
Maintenance Man	21,500	19,787	21,500
Elevator Expense	11,000	9,573	11,000
Management Office Expense (unit C-3)	3,200	3,802	3,200
Employee Housing Expense (unit 290)	1,100	1,267	1,100
Miscellaneous/ Contingency Expense	144	0	144
In-Room WI-FI	1,750	2,264	1,750
Meeting Expenses	600	1,091	600
<b>TOTAL EXPENSES</b>	<b>233,250</b>	<b>235,674</b>	<b>236,109</b>
<b>VARIANCE</b>		<b>-2,424</b>	

**LIONSHEAD III CONDOMINIUM ASSOCIATION  
CAPITAL IMPROVEMENT PROJECTS COMPLETED  
FYE 10/31/2018**

<b>BEGINNING BALANCE:</b>		<b>\$ 81,279</b>
Revenues		
Quarterly Assessments		39,840
Interest Income		111
<b>TOTAL REVENUE:</b>		<b>\$ 121,230</b>
<b>PROPOSED PROJECTS:</b>		
Driveway Snowmelt System final		8,359
Pool/ Spa		11,317
Electrical Upgrades		2,184
Mechanical Upgrades		2,610
Door/ Gate Hardware		3,016
Common Area Painting		780
Alarm System		290
Misc Equipment / Tools		1,309
PRSI Project Planning & Supervision fee 2017		3,556
<b>TOTAL PROPOSED EXPENDITURES:</b>		<b>\$ 33,421</b>
<b>ANTICIPATED ENDING FUND BALANCE:</b>		<b>\$ 87,809</b>
<b>ANNUAL CAPITAL REPLACEMENT FUND ASSESSMENT HISTORY</b>		
Prior to 2004		13,200.00
2004 - 2013		15,840.00
2014		27,840.00
2015 - 2018		39,840.00

**LIONSHEAD III CONDOMINIUM ASSOCIATION  
CAPITAL IMPROVEMENT PROJECTS PROPOSED  
FYE 10/31/2019**

<b>BEGINNING BALANCE:</b>		<b>\$ 87,809</b>
Revenues		
Quarterly Assessments		39,840
<b>TOTAL REVENUE:</b>		<b>\$ 127,649</b>
<b>PROPOSED PROJECTS:</b>		
*Exterior Structural		1,950
*Interior Common Area Painting		2,500
*Pool/ Spa Covers		370
*Spa Cirrculating Pump		1,250
Stairwell Heaters (2)		5,190
Fire Alarm Panel		15,000
Key Pad Coded Entry Door & Gate		-
Pool & Spa Contingency		2,500
Mechanical/ Electrical Systems Contingency		2,500
<b>TOTAL PROPOSED EXPENDITURES:</b>		<b>\$ 31,260</b>
*Completed projects		
<b>Estimated Ending Fund Balance</b>		<b>\$ 96,389</b>
Proposed Projects 2020	\$ 97,656	
Proposed Projects 2021	\$ 112,496	