

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION
ANNUAL OWNERS MEETING
 July 12, 2023

1. CALL TO ORDER, ROLL CALL AND PROXY
 CERTIFICATION

The virtual meeting was called to order in the meeting room of Chamonix Condominiums, in Snowmass Village, Colorado by Denny Thorley, President of the Association, at 2:03 P.M. Nonmembers Mike George and Scott Hale of Frias were also present.

<u>Members Present</u>	<u>Unit #</u>	<u>% Common Ownership</u>
Troy Schumacher	13	3.63
Schaefer	20	3.32
Kevin Coyne	21	3.93
Gary Phillips	22&23	7.55
Ray Rinker	25&15	9.67
Ailes	30&40	5.44
Andy Cole	31	3.32
Creixill	32	3.32
Denny Thorley	33	3.63
Freund	34	3.63
Urban	35	3.32
Owen	36&37	7.25
Brag	41	3.63
Keyes	43	7.25
Powers	45	3.63
Rosenbaum	47	3.02
Smith	50	2.72

Total present (including phone) 78.25%

<u>Members Present by Proxy</u>	<u>Unit #</u>	<u>% Common Ownership</u>
---------------------------------	---------------	---------------------------

Total by proxy	—	0.00%
----------------	---	-------

TOTALS 78.25% Common Ownership

Verification of the signed proxies and members in attendance established that the required quorum of 50% of Chamonix owners was achieved.

2. PROOF OF NOTICE OF MEETING

Mr. Hale presented proof of notice of meeting -emails to all members on 07/07/2023.

3. APPROVAL OF MINUTES OF March 04, 2022, MEETING

Mr. Thorley made a motion to waive the reading of the minutes of the March 04, 2022, annual meeting of the members and to approve them, as presented. Mr. Rinker seconded, and the minutes were approved, as distributed.

4. REPORT OF PRESIDENT/MANAGEMENT

Physical Property

Since March 2022 the following projects and major repairs have been completed at Chamonix:

- Domestic hot water system pinhole leaks were repaired
- Fire extinguishers were checked and replaced or recharged as needed
- Chimneys were inspected/cleaned
- B Building elevator repaired from construction dust
- Glycol feeder was purged and filled
- Heat & snowmelt boilers were repaired
- Boiler combustion Filters were replaced
- Common area and unit heat zone valves were serviced or replaced
- Garage mechanical trash door was serviced
- CX46 mechanical garage door was serviced
- Drywall repairs to 46 Garage entrance were completed
- Internet wiring in elevator closet was relocated above drywall
- Minor EIFS repairs were completed
- Domestic hot water pump was repaired
- Windows were cleaned
- DHW storage temperatures were increased
- DHW recirculation leaks were repaired
- DHW relief valve was replaced
- Multiple pipe band aids were replaced with fresh copper lines
- Various plumbing system shutdowns and restarts for unit remodels were undertaken
- Various elevator inspection related requirements were undertaken
- Expansion tank was cleared
- Pool Fence was welded
- Various sewer lines were snaked and cleared
- Heat tapes were inspected and some were replaced
- A pool pump seal was replaced
- A pool filter was repaired
- Common area lights with failing ballasts were replaced with ones that produce higher lumens
- Repairs to the CX13 garage from an unidentified leak are underway
- Repairs to common area drywall from a pinhole leak in the 17/27/37 stack are underway
- A second pinhole leak in the 17/27/37 stack occurred during mitigation of the first leak - pipe
- Drywall repairs in the ski locker room were completed
- Leak into CX45 ski locker from pool room was repaired
- Roofs were cleared of built up winter snow

- Elevator flooring was replaced
- Test locker floor inserts were installed
- Units were laser measured
- Architect, GC and engineer were engaged to begin capital planning work

Financial Summary – Through Fiscal Quarter 2 end April 2023

The Association had a \$78,659 surplus, or 34%, as compared to the plan, after two quarters. The savings against budget to date are primarily attributed to lower than budgeted utility costs (\$24,610) and deferred maintenance work (\$57,185) related to management’s inability to fill open maintenance positions. Vacasa exited Snowmass Village HOA management as of June 1, 2023. Because local management is in the midst of transferring financial activity and processes into both new software and under new guidance by Frias, management expects to have all standard systems in place by the end of July 2023. Final fiscal year assessment statements were issued on July 07, 2023 to the members.

Receivables

Assessment accounts for 3 owner units were delinquent were outstanding at quarter end in the amount of \$34,273. 54 remains unpaid. All condominium owners have been contacted regarding payment of their delinquent accounts.

CX27	\$10,060	Paid in May
CX46	\$11,899	Paid in May
CX54	\$12,314	Owner contacted, struggling with autopay in software.
Total	\$34,273	

2021-2022 Year-End Financials

The financials for the Association are being audited at this time. Management expects neither any material adjusting entries nor negative management comments. The completed audit will be made available to any member upon request.

The auditor’s snipped note regarding a special accounting process for depreciation and the employee unit loan is below. The accelerated loan pay-off resulted in a large, calculated deficit under this method.

5. OPERATING FUND BALANCE – DIFFERENT METHODS OF ACCOUNTING

The Association's assessment for the employee units is calculated on a cash basis and includes only actual cash costs to the Association, thus, depreciation (a non-cash expense) is excluded from the assessment and principal payments on the notes are included. GAAP requires that the income statement exclude principal repayments and include depreciation expense. This does not affect the financial viability of the Association. The removal of depreciation and addition of principle payments would result in an adjusted fund balance of \$(169,572).

Reported Ending Fund Balance	\$ (167,454)
Plus Unassessed Depreciation	356,100
Less Principal Payments not Expensed	<u>(358,218)</u>
Adjusted Ending Fund Balance	
(Cash/Budget Basis of Accounting)	<u>\$ (169,572)</u>

The HOA has obtained a \$500,000 Line of Credit as of 02/28/2022 in the event that cash needs related to reserve fund expenditures in the near term exceed the available cash in the balance sheet.

Reserve Fund & Special Projects Operating Fund

Expenditures to date this year total \$47,675 for

Dryer vent for outside of unit 33	\$3,495
Pool Mech Room wall surfaces & 45 locker floor	\$5,995
Heat Circulation Pump Controller	\$6,820
Fire Alarm Device Replacement	\$569
Ski Locker Room Flooring Deposit	\$2,800
Miscellaneous	\$27,996
Phone line replacement	\$8,747
Custom Mechanical	\$7,200
Z Group	\$12,049

Future fiscal budget year forecast expenditures are expected to be \$354,852 if the HOA can accomplish all currently forecasted projects during the fiscal budget year:

Elevator Replacement	\$200,000	
Exterior Painting & Stucco	\$50,000	ROM estimate
Driveway Sealing	\$43,000	ROM estimate
Gutter, Heat Tape, and Downspout repairs	\$50,000	ROM estimate
Outstanding BG Invoices	\$39,852	

This would leave the Association a reserve fund balance at the end of the fiscal year of \$228,576 and an adjusted balance of \$59,004, as the employee loans were retired with cash that had been assessed for reserve fund use.

The Reserve fund had an (unaudited) balance of \$359,844 at fiscal year-end October 31, 2022.

5. Rental Program Performance

Per the most recently released update, the Vacasa managed rental program significantly outpaced the market.

Chamonix

Board of Directors Update

May 2023

WINTER

2021/2022 vs. 2022/2023 Performance

How are we pacing compared to 2022?

Notes:

- Winter RentPAN finished well, up 4% compared to the total winter pace of 2021/22.
- April finished ahead of prior year Rent by 27% with increases in ADR. RentPAN and Occ are both down by just 1% and 2% respectively.
- We finished ahead for Total Winter ADR and RentPAN, while overall Rent and Occ have fallen behind pace by 2%.
- We finished slightly down in rent compared to last year by 2%. The impact of December was the most detrimental to our overall pace. The major increase in owner holds was a challenge that we didn't recover from, and while we did close the gap we fell just short.

	Rent % change	Occ % change	ADR % change	RentPAN % change
Nov	20%	12%	-8%	53%
Dec	-33%	2%	-22%	-19%
Jan	23%	-11%	51%	29%
Feb	-3%	-11%	18%	3%
Mar	5%	0%	9%	9%
Apr	27%	-2%	8%	-1%
Total	-2%	-2%	8%	4%

2022/23 Market Performance

How are we and the market pacing for 2022/23?

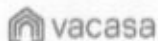
	Chamonix Occupancy	Market Occupancy	Chamonix ADR	Market ADR	Chamonix RentPAN	Market RentPAN
Nov	30%	12%	\$252	\$236	\$76	\$29
Dec	56%	49%	\$1,032	\$791	\$575	\$389
Jan	65%	73%	\$1,310	\$687	\$855	\$506
Feb	75%	74%	\$1,371	\$747	\$1,022	\$563
Mar	85%	73%	\$1,127	\$689	\$963	\$514
Apr	27%	30%	\$506	\$357	\$135	\$98
Total	56%	55%	\$1,081	\$679	\$609	\$377

Notes:

- Winter RentPAN finished 62% ahead and ADRs finished ahead of the market by 59% for the final Winter total.
- Occupancy is finished up by 1 percentage point against the market's pace for overall winter.
- While we fell just short of our year over year targets, we were very successful against the market during the overall winter period.

Market data based on Destimetrics Snowmass RAO Report as of 04.30.23

* The "Market" is defined by Destimetrics as the Snowmass comp set of: Crestwood Condo Hotel, Destination Residences Snowmass, iTrip Vacations Snowmass, Lighthouse Hotel Snowmass, Pokotodi Lodge, Snowmass Mountain Chalet, Snowmass Mountain Lodging, Stonebridge Inn, The Viceroy, Timberline Condominiums, Vacasa - Snowmass - Chamonix, Vacasa - Snowmass - Enclave, Vacasa - Snowmass - Owl Creek Homes, Westin Snowmass Resort, Wildwood Snowmass Hotel



The information shared and presented is confidential and sensitive information and should not be disclosed beyond the intended audiences | 3

Chamonix

Board of Directors Update

May 2023

Winter Pace

Month	21/22 Final Rent	21/22 Rent to Pace	22/23 Rent	Rent Pace	Occ Pace	ADR Pace	RentPan Pace	Owner Use
November	\$17,237	\$17,237	\$20,702	20%	12%	-8%	53%	31%
December	\$271,715	\$271,715	\$181,659	-33%	2%	-22%	-19%	38%
January	\$224,982	\$224,982	\$277,797	23%	-11%	51%	29%	-12%
February	\$295,175	\$295,175	\$285,259	-3%	-11%	18%	2%	-11%
March	\$252,353	\$252,353	\$263,739	5%	0%	9%	9%	-11%
April	\$30,144	\$30,144	\$38,422	27%	-2%	6%	-1%	-21%
	\$1,091,605	\$1,091,605	\$1,067,579	-2%	-2%	8%	4%	-4%

6. ELECTION OF MANAGERS

The terms for Mr. Thorley and Mr. Powers expire in 2023. Both are willing to continue serving on the Board. The HOA has discussed expanding the Board from three members to five.

Mr. Urban made a motion to expand the number of Board members to five. Mr. Creixell seconded, and the motion passed.

Mr. Smith and Mr. Rinker have each declared their candidacy to run for seats on the Board. Mr. Creixell made a motion to submit the slate of four candidates to the membership for the open seats, with each to have a three-year term. Mr. Brag seconded, and the motion passed. Mr. Smith, Mr. Rinker, Mr. Thorley, and Mr. Powers were elected to the board.

7. UNFINISHED BUSINESS

The HOA intends to have lifts on site in fall to investigate and repair gutter/roof transitions.

The HOA also expects to replace the elevator in the A building in this fall.

The HOA is in the process of investigating costs to replace the aging snowmelt, domestic hot water, and the heat boiler systems.

Two bids (1 verbal, 1 written) that management has received for concrete sealing amount to \$40-43K. The sealant material is approximately 42% of the projected cost. Management will circulate the written bid information to the board and plan for work to occur in the fall – the project is proposed to be done in sections, so that other site traffic can be accommodated.

The HOA is considering extensive investments into common element repairs and replacements. Mr. Thorley has compiled a 40-slide presentation to describe the work under consideration.

Ski locker room flooring, locker floor inserts, and rubber mats to sit on top of locker floor inserts are on the project list – once the board makes a final carpet material selection and decides upon locker rubber mat overlays, management can attempt to schedule the work. Kevin has advised that Mr. Powers would like a rubber, kitchen-mat-style overlayment in his locker to sit on top of the installed locker floor insert. A question as to whether or not this should this be a member cost or a standard for all lockers will be addressed by the board.

Mr. Thorley then shared his screen to undertake a slide presentation about the physical state of the property and its deferred maintenance needs. Rough order of magnitude costs remain unknown at this time for consideration of comprehensive rehabilitation of all major common areas. A preliminary time frame under consideration is to attempt to complete the work scope under review by the end of 2030.

Assessments for replacement of some of the major components of the Mechanical Electrical and Plumbing (MEP) systems are envisioned to be needed in fiscal 2023-2024. The Board will make more detailed information to the membership available, as soon as practical.

Other concepts under consideration are possible density growth (new units and other improvements) to potentially help underwrite some of the capital costs for the projects that are under review.

Mr. Thorley stressed that the HOA was developing a comprehensive plan. It is labeled Attachment I to these minutes.

8. NEW BUSINESS

MINUTES NOTES

Tax allocations and disclosures

Mr. Thorley made a motion affirming that the following management practices are policies of the Board and Management and are adhered to by the Association. Mr. Smith seconded, and the motion passed.

Management has performed various time studies and has developed specific allocations for budgeting and tax purposes. These studies have been incorporated into the Association's current year tax returns. The Association's membership surpluses are added to reserve funds or carried forward to the next fiscal year, and membership deficits are funded by increased assessments in the next fiscal year. Reserve funds are held in separate accounts.

Motion to ratify acts of the Board of Directors for the past year.

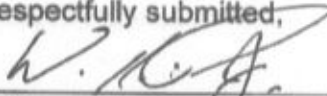
Mr. Smith made a motion to ratify the acts of the Board for the past year and through the date of this meeting. Mr. Powers seconded the motion, and it was approved.

9. QUESTIONS FROM THE FLOOR

10. ADJOURNMENT

Mr. Thorley made a motion to adjourn. Mr. Smith seconded, and the motion was passed. The meeting was adjourned at 4:30 P.M.

Respectfully submitted,



William Powers, Secretary