

CHAMONIX AT WOODRUN CONDOMINIUM ASSOCIATION

BOARD OF MANAGERS MEETING

September 13, 1993

I. CALL TO ORDER

The meeting was called to order in the meeting room of Chamonix Condominiums, in Snowmass Village, Colorado by James Treadwell, President of the Association, at 9:10 AM. Board members present were Hank Anderson, and Jim Treadwell. Also present were Michael Adams, Jeff Hall, Lee Wilson, and Evie Angevine of Snowmass Lodging Company.

II. APPROVAL OF MINUTES

The minutes of the February 7, 1993 meeting were approved as read.

III. OLD BUSINESS

A. State of the Property

Mr. Adams reported that the Property is generally in good shape, but there are some problems with the roof due to the harsh winter last year. Mr. Wilson pointed out that the problem areas where the ice dams formed were hard to get to, making the maintenance and repairs more expensive. He said that maintenance would seal the flashing and install heat tape to keep this from happening again. Mr. Anderson asked if a metal roof would help; Mr. Adams stated that Snowmass Village requires snow slide stoppers on metal roofs, thus defeating the lack of ice damming which a metal roof provides. It will help with leaks, however.

Mr. Wilson reported that the sprinkler system was just tested and is in good shape.

Mr. Wilson also stated that the grounds improvement was continuing at a slow pace. He said that the Woodsons requested more of a lawn effect in the grass areas outside of their unit, but Mr. Treadwell feels that landscaping only where people request it is not acceptable; that if the majority of the owners want more manicured landscaping, then that issue can be brought to a vote. He also pointed out that more landscaping will mean more maintenance, and that there are so few people here in the summer that it may not be worthwhile. Mr. Anderson added that the front area which everyone sees should be well maintained. Mr. Wilson said that unit 20 would also like more landscaping outside of their unit; Mr. Treadwell responded that if someone wants to beautify the area outside of their unit, it is an individual request and it needs to be put in front of the board for a vote.

Mr. Wilson reported that the building continues to move, but it is very minor. It was checked by an engineer two years ago and was fine. Mr. Adams suggested that we might want to get the engineer back, but Mr. Treadwell said that because of the nature of the movement he felt that the building itself was not moving, but only the concrete slabs were moving relative to the foundation. As long as the steel supports are not moving, there is no real problem.

Regarding the pool deck, Mr. Wilson said that the deck held up fairly well this past winter. Mr. Adams reported that an acid wash has been the most successful method of removing the stains on the deck which occur from water draining off the roof. Mr. Wilson suggested chipping out the old rock and replacing it with a darker rock that would not show stains, but Mr. Treadwell felt that this issue

should be re-examined next summer.

Regarding the energy audit, Mr. Wilson said that a blower door test was done on unit 15 and the unit was tight and the heat was adequate, but the walls were leaking heat through their steel studs. Mr. Adams suggested boosting the heat to compensate. Mr. Wilson will put a timer on the pool heater to reduce the drag on the heating system during the morning hours; Mr. Treadwell agreed.

Mr. Adams updated the members on the following items:

1. Boiler inspection - he felt that this was not needed, in accordance with advice from a professional plumber.
2. Fire alarm rewiring - this will not be done because of a letter from the town saying we did not have to.
3. The Property has been re-keyed.
4. Leak interceptors (gutters) have been added in problem areas.
5. Courtyard drainage - it was decided that gutters will be installed to facilitate drainage. As a leak is discovered, it will be guttered.
6. Exterior lights - nothing has been done in this area yet.
7. Enclosing storage space has been done.
8. Awnings have been installed for less than budgeted. However repairs are needed because some awnings have blown off. Mr. Treadwell felt that the way they are currently mounted is unattractive, and would like them to be mounted directly to the railing, which would look better and be more stable.

B. Special Projects

All members agreed that the previous methods used for repair of the decks in unit 20, Building C 3rd floor, and Building B have not worked. Mr. Wilson will talk to a contractor about installing roofing material and a wooden deck with sufficient drainage on the outside deck of unit 20. On the entry decking for the C Building, Mr. Treadwell pointed out that the existing floor is fine where it has been protected, and he suggested expanding the planter outside of the building, putting a thick layer of polyurethane and a drainage pipe at the bottom, and filling in the area with trees, rather than putting down a new deck. He also pointed out that Anne Camner has mentioned that she would like to plant some trees outside of her unit; perhaps if the planter were enlarged, she would supply the trees. In any event, Mr. Treadwell would like to come up with other additional options for that area other than resurfacing with a different material. Mr. Wilson will look into this. With regard to the deck repair outside of the B Building, Mr. Wilson will look into replacing the existing deck with a new, thicker concrete landing.

Mr. Wilson and Mr. Adams mentioned that the evergreen trees that are currently in the courtyard planters have outgrown their space and suggested that they be moved to the south hillside; Mr. Treadwell and Mr. Anderson agreed.

Mr. Wilson suggested installing a gutter system on the wall between the B and C Buildings to reduce the leakage problem. He felt that a gutter could be installed in a groove in the concrete to intercept the leakage, and that a shake shingle accent could cover the gutter and leaks and act as an accent to break up the wall. Mr. Treadwell suggested covering the entire wall with lattice and trying to find something that will grow up the lattice. Mr. Wilson will check on the price of the lattice and check with the landscaper about finding suitable plants.

Mr. Wilson said that the landscaper had suggested that some type of rolling

flower boxes be placed in the courtyard to add more color. Mr. Treadwell and Mr. Anderson felt that this was not a good idea at this time.

C. Rentals, Rates, Units, and Upgrades

Mr. Adams reported that there are fewer units in the rental program, and that the revenue per unit is up 1.1%. He also stated that overall, all projects were slightly down in revenue, but added that this coming winter we are currently up 6% in revenue, which is probably the result of a 6% increase in rates. However, all projects combined are up 12%, which reflects an increase in reservations as well as in rates. Mr. Adams also stated that bookings for this summer were down 20%, but added that Snowmass Village as a whole was down 22%. He hopes that the new partnership will allow Snowmass Lodging Company to improve our summer business.

Mr. Adams reported that a few owners had upgraded their units - last year there was one exceptional, two preferred, and ten standard units and this year there are three exceptional, three preferred, and seven standard units. Regarding lobby upgrades, Mr. Treadwell and Mr. Sattler felt that there is currently no need for a universal upgrade for all foyers, and voted against it. Mr. Adams expressed concern over this, saying that there may be some negative response from rental owners. Mr. Treadwell responded that if we do get negative feedback from rental owners or guests, then the issue can be addressed at that time. However, they agreed that where new painting, carpet, or wallpaper was needed in the foyers or elevators, it should be done, and if a specific area needed more work, that particular area should be addressed separately from the others. He also said that if an owner wants to do something with their lobby, it should be brought to the board for a vote.

D. Meeting Room Conversion Update

Mr. Treadwell briefly went over the history of the efforts to sell or lease the meeting room and the new lease proposal which he has drawn up. The new lease is similar to the previous one, with a 99 year lease with a \$10,000 fee for renewal, the lessee pays all costs of redoing the space, pays a thirty year amortizing loan at 8%, pays one year's payment as earnest money (which would also apply to the first year's payment), and pays on a designated schedule. The only contingency is if the town does not approve the floor plan, which Mr. Treadwell does not feel is a problem. Mr. Treadwell suggested that first, the board needs to decide if it should lease the space, and then it should decide if the owners should be re-balloted and informed that there is someone interested in leasing the space. He felt that re-balloting would not improve the board's position and it may give the owners a chance to change their mind on an issue which they have already approved; it was decided not to re-ballot the owners. Discussion followed about how to assess the area since it cannot be assessed as a unit but the lessees do need to pay for certain items that are normally assessed for. Mr. Treadwell felt that the items that should be paid by the leasing party are insurance, telephone, electric, trash, cable, pool maintenance, firewood, window washing, chimney sweeping, pest control, and snow removal, and that the payment should be called service and utility proration fee. Mr. Anderson agreed. Mr. Treadwell then pointed out that the other items normally covered by assessments are things that the lessee cannot benefit from in the long term because he cannot sell the unit, therefore he should not have to pay for them. Mr. Treadwell believes this arrangement is good because it will decrease by half the employee unit negative cash flow, and the money will be generated by a space that is not currently in use. Mr. Anderson motioned that the board accept the lease based on current terms outlined previously. Mr.

Treadwell seconded.

IV. ACCOUNTING AND BUDGET

A. Current Financial Position

Mr. Adams felt that the Chamonix Association is doing well and should come in as much as \$10,000 under budget, although there is about a \$5,000 over budget carryover from last year, so the full gains will not be realized. He pointed out that this year's balance sheet is the best he has ever seen, and that there are no liabilities except the employee units. Mr. Treadwell suggested that the Board be shown some proof of funds in reserve, such as a bank statement and bond limits. Mr. Adams agreed to provide this, pointing out that the auditors also review the bank statements prior to preparing their annual audit, so there was adequate protection. Mr. Treadwell also would like the extra \$4,000 generated from the lease of the conference space to be placed into the replacement reserve, Mr. Anderson agreed.

B. Reserve Fund

Mr. Adams felt that there is no need to go any higher on the reserve fund, but would not recommend going any lower; if the Association continues to assess at the current rate while having the same expenses, it will be ahead by the year 2001. Mr. Treadwell pointed out that by using the extra money from the lease of the conference space, the special assessment can be reduced by \$8,000 and we could still be caught up by 1998.

C. 1993 - 94 Budget Review

Mr. Adams went over the budget and made adjustments to the assessments and reserve funds to allow for the income from the lease of the conference room. He also pointed out that Chamonix was the only project that Snowmass Lodging Company manages that has no delinquent assessments. Mr. Treadwell made a motion to approve the budget, and Mr. Anderson seconded.

V. NEW BUSINESS

A. Sand Dollar

Mr. Adams introduced Mr. DeVinere who spoke with the board about his company in Hilton Head, his past business experience, and his ideas for changes at Snowmass Lodging Company. Mr. Treadwell questioned how these changes would help Chamonix, Mr. DeVinere replied that the benefit will be that the Company will continue to exist in a profitable state. Mr. Adams and Mr. DiVenere outlined some of the charges which have been added, including airport transportation, faxes, fall cleans, and parking stickers. Mr. Treadwell said that he has no problem with paying for specific services, and he is in favor of anything that will cut homeowners' dues. He expressed concerns that resale values are flat and feels that that may be partially due to the fact that our association dues are among the highest in the Village. Mr. DeVinere explained that he would like to sit down with the non-rental owners to get their input on his ideas.

B. #35 Solarium Wall Removal Request

The board approved this request, however Mr. Adams said that if the removal of the wall affects the utilities, the owners will have to get board approval.

C. Date of Next Meeting

The next meeting will be held on Sunday, February 13th at 3 pm in the Chamonix meeting room.

VI. ADJOURNMENT

There being no further business to bring before the meeting, the same was adjourned at 12:15pm.