

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

BOARD OF MANAGERS MEETING

August 27, 1994

I. Call to Order

The meeting was called to order in the meeting room of Chamonix Condominiums in Snowmass Village, Colorado by Hank Anderson, President of the Association, at 10:15 AM. Other Board members present were James Sattler, Andy Cole and Graciela de Quesada. Also present were Michael Adams, Mike George, Lee Wilson, and Evie Angevine of Snowmass Lodging Company, and Alex de Quesada.

II. Approval of Minutes

The minutes of the February 12, 1993¹ meeting were approved as corrected, with the following wording added for clarification: "Mr. Anderson requested that he be allowed to enclose an 8' X 10' portion of his deck in glass which is the same as the existing atrium glass and perform modifications according to plans previously submitted to Mr. Treadwell. He also would like to square off the remaining deck by adding roughly 6' X 10' of additional decking, and to cover it with an awning that matches the existing Chamonix awnings. This awning shall be installed at the Anderson's expense but shall become Association property upon completion. Mr. Treadwell stated that he has reviewed the plans and areas in question and feels that the requested modifications would not affect any other units. Mr. Sattler moved for approval, and Mr. Treadwell seconded." The February 12 1993 minutes were also clarified regarding the election of Hank Anderson, Grace de Quesada and Anita Cole at that meeting for three year terms.

III. Old Business

A. State of the Property

Mr. Wilson reported that there have been numerous unit upgrades recently, primarily in non-rental units. The new meeting space is finished except for covering the stainless steel doors for trash and laundry. The outside entrance to the conference room will be paved with Bomanite or with a similar product.

Some buildings, as well as the concrete slab in the parking garage, are continuing to experience differential settling. The engineer has reported that this is only an aesthetic problem, and maintenance will continue to monitor. Maintenance also contacted a company in Denver that can inject grout into the settling areas to stabilize the backfill. However, Mr. Wilson does not recommend that the Association go forth with grout injection, as the foundation has been checked and certified.

Mr. Wilson recommended that the B building entry be resurfaced with an additional layer of roofing material. Options for the C building entry include covering it with a regular or colored concrete deck, turning it into a large planter, or covering it with a redwood deck and planters. All proposals include roofing and draining materials to reduce the current problems caused by excessive moisture buildup. Mr. Anderson felt that the wooden deck detailed in the presented plan was the best option, as the other ideas had not worked previously. Mr. Wilson will go ahead with the project.

The parking garage continues to leak from some cracks expanding beyond the existing gutters. Maintenance will continue to add gutters to control the leakage.

Mr. Wilson has shortened the useful life of the driveway in the reserve fund due to concrete spawling. Mr. Cole asked about restricting large trucks in the upper driveway area. Mr. Wilson responded that the entrance height serves to eliminate most large trucks, and that the only other large vehicles coming through on a regular basis are garbage and Village shuttle, neither of which can be easily eliminated. Mr. Cole suggested that the Board consider future replacement of the driveway surface with pavers similar to those in the courtyard of Woodrun Place. These pavers have a higher load-bearing capacity than the existing surface and may be a solution to the concrete spawling and cracking. Mr. Wilson reported that little work has been needed to maintain the pavers at Woodrun Place.

Mr. Wilson monitored the temperature of heating fluid at different points in the system last winter. He found a slight temperature drop in the lower floors of the B building, where heating problems have been reported. Because he was unable to complete his study by tracking these temperatures during extremely cold times, he will continue this project next year. Adding a timer to the pool and spa to eliminate their use of heat during peak time has helped. A contractor has tested the boilers, and they are working at capacity. Mr. Anderson asked if there was room to add boilers. Mr. Wilson stated that we currently have eight. He did get a proposal last year for adding another, but removed it from the project list, pending the outcome of the heat study. He suggested that the Association could subsidize owners for the installation cost of additional elements. Mr. Sattler suggested postponing a decision. Mr. Wilson should continue documenting comments about temperature problems, and the issue can be discussed at the next meeting.

B. Special Projects

Special projects completed in 1994 include deck repair for unit 20 and the replacement of trees in parking lot planters. The old trees were replanted in the hillside. Special projects considered for the upcoming year include re-keying all common doors, cleaning dryer vents, remodeling lobbies, buying new entry carpet mats, installing an entry gate for lower parking, and enhancing landscaping. Re-keying is scheduled for the spring of 1995, and dryer vents will be cleaned this year.

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An entry gate will be installed in the lower garage. Mr. Wilson has the Board's permission to spend up to \$5,000 on this project, which will include an articulated arm, keypad to get into the garage, and "eyes" to activate the gate for leaving the garage. If more funds are needed, Board approval is required.

Mr. Sattler disapproved of the landscape enhancements, which were requested by various owners. He pointed out that owners can make changes to exterior grounds around their units with the Board's approval. Mr. Anderson commented that the small project proposed was inadequate. He requested that the Management Company research a general landscaping redesign, including expansion of the sprinkler system. At the annual meeting Mr. Wilson will present plans, drawings, and cost estimates, including increased overhead for the proposed landscaping.

The Board instructed the Management Company to solicit bids from various decorators for the upgrade of the lobbies. Mr. Meyer informed Mr. Treadwell that he would vote for a special assessment for this project. Mrs. de Quesada and Mr. Cole suggested collecting proposals from up to 3 firms for designs including carpet, wall covering, art work and exterior lights at each of three price ranges for the entire project (\$30,000, \$50,000 and \$70,000). Mr. Wilson will present samples, colors, drawings, options, etc., at the next meeting. The Board will then ask the owners to vote on a special assessment to fund the upgrade of the lobbies. Mr. Wilson has the Board's approval to spend up to \$5,000 from the reserve fund for solicitation of bids.

Carpet mats for the entries will not be purchased separate from the lobby redecorating plans.

C. Rentals, Rates, and Unit Upgrades

Mr. Adams reported that the adjusted income per rental unit was up 10.9% last winter, and up 6.4% for the summer season to date, for an average annual increase of 7.6%. There are 12 units in the rental pool for the upcoming winter. Reservation revenue is up 20% to date this year, and the Management company has initiated a \$100 cancellation fee. Rental owner use is about 40%. Mr. Treadwell added that SLC is trying to increase the number of rental units in the pool and to upgrade the existing ones to command higher rates. He pointed out that changes in Management Company rental income potentially affect all owners in the form of alterations in service levels and Association costs.

IV. Accounting and Budget

A. Current Financial Position

Mr. George reported that the conference room lease has been moved to the employee unit section of the budget. There will be only a minimal reduction in employee unit assessments this year because of a negative carryover and market pressure on employee unit rental rates. Miscellaneous revenue, which is ski locker rental, will be transferred to the reserve fund at

year end. Due to the additional space added to Chamonix 25, that unit will be responsible for a larger part of common utilities.

The cash position of the Association is strong, and the reserve is a little over \$100,000. The Management Company will transfer \$25,000 to the second reserve account to stay within FDIC insurance limitations. The funds are currently invested in money market funds. Mr. Sattler pointed out that at the last meeting the Board asked that other investment options be researched. Mr. Wilson has checked into purchasing CD's. He found little interest rate difference, and the money would be less accessible. Mr. George will search for more aggressive investments after the last of the Board meetings on September 10.

Current liabilities include unit 25's prepayment of \$10,000 from which the Association takes the first lease installments on the conference space conversion. Mr. Treadwell asked the Board to consider selling the added space to Mr. Lebovitz at some point. Interest would not continue to be earned as it is now, but the funds from such a sale would further improve the Association's reserves. Preparing for the eventual sale now will expedite the future transfer of the property. The Town of Snowmass requires that owners be balloted as soon as possible to sell the space. Once the balloting is complete, the space could be sold at any time during the life of the lease. Mr. Sattler made a motion that owners be balloted, Mr. Cole seconded, and the motion was passed.

B. Reserve Fund

Mr. Wilson and Mr. George have revised the estimated lives of components in the reserve fund. The amounts for exterior staining, stucco repairs, and the backflow regulator now include actual expenditures and future replacement costs. The estimated life of the driveway has been shortened by 25 years due to concrete spawling. The Management Company expects the reserve bank balances to grow by \$12,000 this year. For 1993 the reserve fund was underfunded by \$13,000, and should be underfunded \$4,000 by the end of 1994. The reserve model allows for staining to be done every four years. Projects anticipated for 1995 include exterior painting and possible replacement of some pumps, as they are approaching the end of their forecasted lives. Mr. Wilson stated that recarpeting of the conference room was expected to be a special project, but has been completed by the owner of unit 25 in the remodel process. The expected life of the carpet has been adjusted accordingly.

C. 1994-95 Budget Review

Mr. George reported that insurance costs are expected to rise approximately 40% because of increases in replacement costs, partially resulting from unit upgrades. When a remodel is done, it is that owner's responsibility to provide insurance for the additional replacement cost of the work. Upon sale of that unit insurance for the added replacement cost becomes the responsibility of the Association. The new replacement cost property value is \$7.1 million, which is based on an estimate of \$150/sq. foot provided by the insurance agent.

Assessments will be increased by 13%, in part to fund the increased cost of desk coverage, as put forth in the Managing Agreement, and to supply the capital reserve fund. Mr. Treadwell pointed out that this was the first increase in assessments in a long time. Mr. Sattler made a motion to accept the budget, Mrs. de Quesada seconded, and the 1994-95 budget was approved with special projects amended.

V. New Business

A. Non-Rental Owner Inducement to Rent Program

Mr. George explained that this program was designed to induce non-rental owners to rent their unit for up to 4 weeks during the winter season. These weeks available in this program are when our properties have high demand. Because this program requires a different contract than the current rental agreement, it requires Board approval. Mr. Cole made a motion to approve this program, and it was passed unanimously by the Board.

B. Remodeling Process Clarification

Mr. Wilson asked the Board for clarification of the Association's unit remodel authorization process. Mr. Adams explained that sometimes a project will start out as redecorating and evolve into remodeling. When plumbing or electricity is altered and Association expense or exposure is involved, the Board determined that an agreement should be signed. Mr. Anderson suggested that SLC use its discretion as to which projects should be required to pay the fees listed on the "Agreement to Indemnify" form. The owner may then decide whether to pass these costs on to the contractor. For projects that do not involve construction, excessive noise or extra trash, the form should still be signed, but the fees should be waived. Mr. Sattler recommended that when an owner is contemplating work on his unit, the property manager should arrange a meeting to review policies, including construction parking, deliveries, trash storage and collection, etc.. Mr. Anderson suggested sending a copy of the by-laws and an "Agreement to Indemnify" form as part of each new owner packet.

C. 43, 25, 22, 47 Remodels

The Board retroactively approved all of the above remodels. Mr. Anderson also mentioned that he added railing to his deck which will be similar to the existing railing, except the vertical slats will be slightly closer to meet the new building code.

D. Owner Storage

Mr. Wilson reported that no storage is available at Chamonix. Mr. George suggested that if an owner wants to store things for more than thirty days, a charge should be levied to encourage those owners to move their belongings so other owners may use the space. The Board approved this program and instructed the Management company to set the fee structure

and note it in these minutes.

1. Utility Rate Review

Mr. Wilson wishes to arrange a utility rate review with a private contractor. The contractor would receive 50% of any savings he can generate for the Association as set forth in a three year contract. The program has no other cost to the Association, but it requires Board approval because the term exceeds one year. The Board approved the program and asked Mr. Wilson to execute the agreement.

2. Unreturned Rental Contracts

Mr. Anderson will sign a letter to be sent to owners who do not have a current contract on file with SLC.

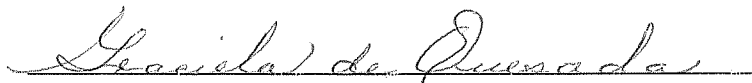
3. Date of Next Meeting

The next meeting will be held on Saturday, February 11, 1995.

VI. Adjournment

The meeting was adjourned at 1:30 PM.

Respectfully Submitted


Graciela de Quesada, Secretary