

CHAMONIX-AT-WOODRUN ASSOCIATION
BOARD OF MANAGERS MEETING

August 26, 1995

I. Call to Order

The meeting was called to order in the meeting room of Chamonix Condominiums in Snowmass Village, CO at 10:10 A.M. by Hank Anderson, president of the Board. Other members present were Graciela de Quesada, Secretary, and Anita Cole. Nonmembers present were Michael Adams, James Treadwell, Mike George, Lee Wilson and Evie Angevine of Snowmass Lodging Company, and Alex de Quesada.

II. Approval of Minutes

The minutes of the February 9, 1995, meeting were approved as written.

III. Old Business

A. State of the Property

Lee Wilson has been investigating the installation of satellite dishes. Contractors state that three to four dishes would service the entire complex. All of the dishes can be mounted on a post below CX22 (Anderson deck). The initial cost estimate is \$16,000 to install equipment for the entire complex. To resolve the dispute between Spanos and Loeffelbein regarding the dish Spanos uses currently, we could ask Spanos to pay to relocate his dish to this location - out of view for Loeffelbein and obscured from the common view of owners and tenants. Cable will still be available in each unit. Mrs. Cole expressed concern that if some rental owners have satellite TV, their units might become more desirable than those with only cable. Mr. Wilson proposed sending a questionnaire to owners about the availability and cost of satellite dish service. These costs could be divided among those that are interested. Mr. Wilson will gather the necessary information and present it in a mailing to all owners.

Differential building settlement has slowed in all areas but one. Maintenance will continue to monitor it, but no repairs are needed at this time. Mr. Wilson looked into landslide insurance, which is available at a cost of \$2,500 per year, but this additional coverage would not cover the damages caused by the gradual movement experienced at Chamonix.

The condominium Declaration documents state that firewood billing is to be based on consumption. However, we have always billed firewood by allocation of general assessment. The Board decided that SLC should continue billing for firewood through general assessment collection. When future Declaration changes are needed, the firewood issue could then be added to the ballot.

CX13 and CX22 would like to install gutters at their own expense above their decks. The Board unanimously approved this request.

CX36 has leased an extra storage closet located on the second floor of the C building. Mr. Wilson used figures from the purchase of common space by Mr. Spanos (CX21) to arrive at the prepaid lease fee of \$1,800, amortized over six years. The Camners have the right to use the closet, as long as they own the unit. If the unit is sold, the rights to the storage closet are terminated. Mr. Anderson pointed out that if other owners express interest in leasing storage space, more lockers could be created in the area near the vending machines. The Board unanimously approved the storage space lease, with revenue derived therefrom allocated to the Reserve Fund.

Mrs. Cole (CX17) explained the modifications she plans to make to her unit. She would like to open up the passageway from the solarium to the living room and to replace the door from the master bedroom into the solarium with a wall. Because plumbing and electrical changes are not involved, Board approval is not needed.

Mr. Meyer (CX13) is in the initial stages of planning an extension out over his existing deck. For the roof of his addition, he is willing to create a deck for the owner of CX23 that will conform architecturally with the deck on CX22. The feeling of the Board is that, because of past experiences with the PUD process, Mr. Meyer is unlikely to get approval from the Town of Snowmass. If he were to be granted approval by the Town, he must present drawings to the Board ensuring that the work will look as if it was always a part of the building rather than an addition. Two elevation views will be needed. Mr. Treadwell suggested that there may be some hidden space inside the unit. Mr. Wilson will investigate this and contact Mr. Meyer to discuss the options.

The owner of CX35 wishes to extend an existing awning over bedroom windows at his own cost. Mrs. Cole made a motion to approve the request under the condition that the awning match the existing ones. The Board unanimously approved the motion.

There is a cosmetic problem with color of new deck material in the B and C building entries. The new paint is too yellow and uneven. The proposed solution is for the contractor to improve the finish and possibly pay for the additional work, if he applied the wrong product. There is a chance that the association will need to pay for the color change.

The domestic hot water supply lines are beginning to erode and cause pinhole leaks. This is a common problem throughout Snowmass Village. Maintenance is investigating water treatment or filtering to slow or remove the cause of the damage. We do not have a solution or cost projections to propose at this date.

Repair of the AA building elevator is pending. The telescoping jack will be replaced with a similar jack. It is estimated that, without groundwater corrosion, the elevators should last 80-100 years. The AA elevator problems were not common and should not recur. The Board decided that one pressure test per year will be performed on each elevator, as a required part of safety inspections. Dover Elevator will perform routine maintenance and will pressure test each elevator during the annual inspection. Elevator repair costs to date are at \$28,003, and the piston replacement is scheduled for October 1995. The cost estimate for the new piston is \$40,000. The funding plan is to use the Reserve as an initial cash source, replacing the Reserve funds with proceeds from sale of common space to Spanos and Lebovitz in fiscal 1995-96 to avoid a Special Assessment.

Savings through the new gas utility contract, compared to the plan and the prior year, are \$4,585 and \$4,370, with no discernable drop in service or product delivery. Mr. Wilson recommends a supply change to the vendor who initiated the program to increase the savings. As the expiration of the current contract approaches next June, we will evaluate purchasing from the spot market suppliers.

The lobby renovation was halted in June after some carpet had been unsatisfactorily installed. Mountain Comfort had not quoted padding or leveling of the floor, both of which were needed. Chamonix paid to have the floors leveled and pads installed, and Mountain Comfort absorbed ½ of the cost of the labor to pull up and reinstall the carpet. The main office floor was not leveled before the carpet installation. It was the general consensus of the Board that because of the limited life of the new carpet in a high-traffic area, the floor would be leveled when the carpet is next replaced.

The paint below the chair rails was not the same color as was chosen by the renovation committee. The Board contacted the painter, who is working with the supplier, to fix the color variations from section to section. Mrs. Cole noted that the color should remain attractive in all lighting situations. She also suggested that additional furniture and artwork need to be added over the years. Mrs. Anderson will return in mid-September to do the final inspection and place the furniture, mirrors, sconces, and art work. Additional funding may be needed for replacement carpets in the elevator cabs and exterior/interior entrance mats for all doors.

Landscaping is scheduled for completion next summer with the addition of trees, shrubs, and flowers. Completed work to date is the sprinkler system installation, topsoil addition, grading, and most of the sodding. No cost overrun is projected at this time. The original budget for this work was \$40,000.

At the request of Mrs. Cole, the combination to the parking garage gate will be changed before the winter season and annually henceforth.

B. Rentals, Rates and Unit Upgrades

We ended the winter season with 74 units in the rental pool, and we enter the next winter season with 75 units, which greatly helps SLC to maintain financial stability. Chamonix units average rate last winter was down by \$4.63 per night for elevator discounts. Average rental nights per unit are up 3.10%, while owner use is down 17.94%. SLC properties last winter achieved an increase of 3.31%, while there are reports decline in Village-wide occupancy last year.

The current booking pace is fluctuating between the pace achieved during the last two years. SLC gross revenue for each of the last two years was flat on a smaller rental inventory, which means that average revenue per rental unit increased. At Chamonix, rental revenue per unit improved by 2.19%. We forecast approximately the same average rental nights per unit as last year with a moderate increase in average rates.

IV. Accounting and Budget

A. Current Financial Position

After three quarters the Association net profit is only \$2,799 behind the plan, despite \$28,003 in unexpected elevator repair costs. Excluding one month of prepaid interest on the employee unit loan, we are only \$430 over the plan year to date. Revenues are up for the Special Assessment, high employee unit tenancy, and increased Interest Income from CD purchases and redemptions throughout the year.

Total General and Administrative costs are up 1% over the plan, or \$1,528. Insurance costs are higher than the plan due to the increase in the physical plant replacement valuation. Taxes and Assessments are about 3% over the plan because of higher than expected increases in the employee unit valuations, and Telephone Equipment repair costs are up \$979 against the plan for hardware repairs to the failing switch. The Board contrasted refurbished versus new telephone equipment and decided that a refurbished switch should be adequate, considering that its estimated life span is roughly that of the useful life of the technology. The Board unanimously approved the lease of a refurbished switch during the upcoming fiscal year.

Utilities are down 10% against the plan, or \$7,343, primarily for savings in gas and electricity. Repairs and Maintenance, excluding the Special Project costs related to the Special Assessment, are \$15,577 over the plan because of the elevator repairs over last winter.

We did not pursue the loan to the Enclave discussed in the annual meeting minutes because of our uncertainty about the funds needed to replace the elevator piston and to advance funds against the costs of the landscaping and lobby work. As the Special

Assessment is collected over the next two years, the Reserve bank balance will be replenished. We have yet to reinvest any Association cash because of these short-term cash needs.

Four units are currently behind in assessments. The Board discussed various options to expedite collection, and Mrs. Cole recommended that a strong dunning notice be sent to these owners who are delinquent on Association assessment payments. The Board unanimously approved. Mike George will issue dunning notices and copy Hank Anderson, Board President.

B. Reserve Fund Status

We will move the line item for Painting and Staining the exterior of the buildings from the Reserve Fund to a Deferred Revenue account before year end, per the request of our outside auditors. We will modify the assessment funding for Painting and Staining after this budget year to show the collection into a Deferred Revenue account. All future Painting and Staining costs will be expensed in the year the work is performed, once the Deferred Revenue account is exhausted.

The carpet replacement line was increased and assigned a seven-year life because of the higher actual replacement expenses this year.

C. 1995-96 Budget Review

The general assessments for the budget year will drop by 4.7% in aggregate, and 1.1% per unit in the upcoming year. The variance between these two numbers is caused by the combination of class A and B owners into a single entity, as the Association owns the employee units.

The vehicle rental line has been increased to offset the discontinuance of the \$15/airport ride charge for owners. Equipment Expenses have been increased to fund the lease-purchase of the new telephone system. Utilities have been increased by 3.8%, based upon SLC's conversations with the firms providing the services. Grounds costs have been increased for maintenance of the expanded landscape areas. Custodial has been increased to allow for more frequent cleaning of the additional square footage of carpeted common area. Much of the cost increases in the upcoming year's budget will be offset by an expected surplus, including unfunded Employee Unit Depreciation, from the 1994-1995 fiscal year. Mrs. de Quesada made a motion to approve the budget, as it was presented. The motion was unanimously approved and passed.

V. New Business

A. Disposition of Asset Sale Proceeds

Chamonix-At-Woodrun Condominium Association Board of Managers Meeting
August 26, 1995
Page 6

The \$35,000 and \$150,000 proceeds from sale of common assets to CX21 and CX25 could be used to reduce future special assessments. The Board will wait to see the final cost of elevator repairs, as well as any cost overruns or savings experienced in the lobby renovation and landscaping projects, before making any decisions. The Board and Snowmass Lodging Company agreed to waive the two percent "administration" fee related to the remodel of CX 21, as requested by Mr. Spanos, in consideration of the payment of \$35,000 for the common space.

B. Date of Next Meeting

The Annual meeting will be held on February 9, 1996, at 4:00 P.M. in the Chamonix Conference Room. The Board will meet briefly at 3:30 P.M..

VI. Adjournment

The meeting was adjourned at 1:15 P.M.

Respectfully submitted,



Graciela de Quesada, Secretary