

CHAMONIX-AT-WOODRUN ASSOCIATION
BOARD OF MANAGERS MEETING

September 9, 1998

I Call to Order

The meeting was called to order in the meeting room of Chamonix Condominiums in Snowmass Village, CO at 4:00 P.M. by Andy Cole, President of the Board. Other Board members present were Dean Bramlet. Board members present by conference phone call were Anita Cole and Graciela de Quesada. Nonmembers present were Mike George, James Treadwell, and Lee Wilson of Snowmass Lodging Company.

II Approval of Minutes

Mrs. Cole made a motion to approve the minutes of the September 5, 1997, Board meeting. Mrs. de Quesada seconded, and the motion was passed unanimously. Mrs. Cole made a motion to approve the Board minutes of the February 13, 1998, Board meeting, and Mrs. de Quesada seconded. The motion was unanimously approved.

III Old Business

A State of the Property

Differential building settlement is continuing near the entry and in the B Building fire escape. A soils engineer investigated the situation this spring and recommends either underpinning or injecting grout in the area to stabilize the ground near the foundation. A geotechnical firm has been contacted regarding foundation stabilization. The work is expected this fall with expenses charged to the reserve fund. The domestic hot water supply lines continue to develop random, minor pinhole leaks. Gutter and heat tape were installed on the Northeast side of C Building this summer. About half the private condominium decks have been resurfaced, and the remainder are scheduled this fall. The swallows returned in numbers this year, causing considerable mess on the windows below. Increased window washing was only marginally effective this summer. The pool deck epoxy-rock surface has been losing some gravel and is scheduled for additional epoxy treatment this fall. A rubber runner was added to the pool deck late in the winter and worked well to protect the deck and reduce slipping, as people in ski boots walk across the deck.

The remodel in unit 23 is complete. There was considerable disruption of traffic and parking during the remodel. The Applebaums continue to request permission to redecorate the A Building elevator car. Most owners in A Building have approved the plan to decorate the car with the exception of the change to a wooden floor. Management recommends that the Association allow the elevator to be redecorated by the Applebaums, if all owners in that building approve the plan. Management recommends carpeting for the elevator cab floor, as it will be less costly to maintain and clean than wood, and there is less chance of a slip-and-fall injury. After discussion Mrs. Cole moved that the Applebaum's be allowed to remodel the elevator cab, subject

to approval by the other homeowners in the building, and also limiting the choices for floor improvements of the cab to carpeting for ease of maintenance and reduced exposure to a slip or fall.

The remodel of unit 45 is progressing well with completion expected in mid-November. The Board previously approved the installation of air conditioning equipment in the space above their deck with no vents on the exterior of the building.

The landscaping and gutters above the new deck outside unit 21 were completed this spring. The effort with Leonard Oates, lawyer for Mr. Spanos, to effect the fee simple ownership of the leased space incorporated into Unit 21 has been inactive for a number of months. Resolution of the purchase may be possible next year because the one remaining dissenting owner expects to sell in December 1998.

B Projects

1. Façade on exterior of the parking structure

Mr. Wilson has investigated options for a façade on the exterior concrete wall of the parking structure. Costs range from \$87,000 for a rock-faced wall including the wall below the pool steps to \$58,000 for a stucco-type finish excluding the pool stairs wall. With costs in this range, management recommends that we include these walls in the exterior paint schedule. The present budget and paint reserve will accommodate these costs in fall 1998 or spring 1999, depending upon the weather. After discussion the Board agreed to defer on any new construction.

2. Façade on interior of the parking structure

Calculations to install a simple covering over the parking garage interior walls that have leak deposits yield an estimate of \$31,000. Management proposes periodic painting of these walls and plans to implement a program of more frequent cleaning throughout the lower parking garage. After discussion the Board agreed to defer on any new construction.

3. Fitness Room

A plan for converting a portion of second floor AA Building storage into a fitness room was distributed. The cost of converting the space includes a wall and door to separate the storage area from the fitness room, finishing the walls, adding mirrors, and installing carpet for a cost of approximately \$8,300. Plan "A" fitness equipment proposals range from about \$6,200 to \$9,200, depending on models and how much is included. Management reports that there has been limited use of fitness rooms at Woodrun Place and The Enclave, and the start up costs are significant. After discussion the Board decided to defer on construction of an exercise room.

C Rentals, Rates, and Unit Upgrades

Chamonix units achieved an average rate last winter of \$603, up by \$34 per night from the prior year, or 6%. Average rental nights per unit are up 1%, while rental owner use is up by 19%, resulting in an increase of just under 7%, or \$3,224, in average rental revenue per unit. SLC properties last winter achieved an increase in average rate per rental night of 2.5%, with rental nights per rental unit up 11.5%, and owner occupancy down 2%.

Summer 1998 season gross revenue over the entire rental program is expected to be up an average of 5%, compared to last year. Winter pace for 98-99 is ahead of our pace from two years ago, but trailing last year by about 7%. Although we have not been able to replace two early season winter groups to date, we still have a good opportunity to maintain modest rate growth on anticipated flat demand.

Mrs. Cole asked what measures the management company was taking to try to improve winter pace for 98-99, and also what our Internet presence is. Mr. George replied that the SRA, the Aspen Skiing Company, and Snowmass Lodging Company all have web sites. The SLC web site began to produce business last year, and our "hit" count has continued to grow. We now include rate-specific information in our web site. Mr. George also stated that instability in the stock markets, both domestically and internationally, may be causing people to delay making their vacation plans. Management expects some decline in our bookings from Latin America, but we hope to improve our bookings from the UK. Our sales director will be attending a major trade show in London this fall. We have also increased the frequency of our past-guest mailings and other marketing strategies to improve gross revenues.

There has been good response to the spring rental unit reviews. Many owners are replacing worn and out-dated furnishings and appliances.

IV Accounting and Budget

A Current Financial Position

The Association has a \$2,655, or 3% surplus, as compared to the plan after three quarters. We have listed variance notes below:

Income - Up \$1,866. Rental income is up because the employee units have been fully occupied. As the common area sale to the Lebovitz family has been concluded, the Association will no longer earn unbudgeted lease payments. Interest Income has exceeded plan, as the Association has relatively strong cash balances in bank accounts and CD investments.

General & Administrative - The Association is under budget by \$3,275 YTD, on low legal

support and Directors Expense. It is unlikely that the Association will use the surplus in legal fees during the course of the year. No further progress with the Spanos purchase is expected until unit 36 closes in December. The Camners, owners of 36, are unwilling to sign the Spanos quit claim deed because of a closet lease/ownership issue.

Utilities - Electric costs are down \$2,047, or 14% YTD because of a large rebate by the provider. Small variance in other utilities leaves the category under budget by \$2,002, or 3%.

Repairs & Maintenance - Up \$4,489 YTD, or 3%. Snowmass Lodging and contractor repairs are up due to unbudgeted costs of heat system antifreeze installation, rekeying, C Building gutter installation, and increasing repairs with property age. High firewood

consumption, increased grounds work needs, higher custodial costs, and the purchase of unbudgeted lobby accessories with offsetting variances in other line items result in the R&M category 3% over budget.

Four owners have outstanding Association balances as of the end of August. Mr. Spanos continues to dispute payment of \$1,231 for the Association legal costs related to the lease on space added to condominium 21, plus interest. The owners of units 27, 33, and 37 owe for the July assessment. Each of these owners will be contacted, if payments are not received in September.

B Reserve Fund Status

Reserve Fund expenditures during the first nine months of the fiscal year were for ski locker carpet replacement. Exterior deck surface work is continuing, with reserve fund charges expected by year-end.

C 1998-9 Budget Review

Management proposes that the general assessments for the budget year remain the same as last year.

The line item budgets for Management Fee and Front Office fee are proposed to increase by \$535 and \$2,336, respectively, anticipating that Snowmass Lodging Company's management agreement will be renewed with a small increase for these services. Other General and Administrative costs are forecast to increase approximately 5% except for Legal and Board expenses which have been reduced. Utility line items have been increased 3 to 5% to reflect increases anticipated by our providers. Management anticipates the need for increases in various Repairs & Maintenance line item costs in response to expense patterns this year. Painting and Staining has been reduced to zero with all 1998-9 painting costs to be charged to the Deferred Paint Reserve.

Mrs. Cole made a motion to approve the budget as presented. Mrs. De Quesada

seconded, and the motion was carried.

V New Business

A Date of Next Meeting

As determined at the Annual meeting of February 1996, the Annual meeting will be held on the second Friday in February (February 12, 1999), at 4:00 P.M. in the Chamonix Conference Room. The Board will meet briefly at 3:30 P.M. Mr. Bramlet made a motion to approve the date of the annual meeting. Mr. Cole seconded, and the motion was approved.


B Trees

Mrs. De Quesada inquired about the status of the trees that certain owners requested be trimmed to improve the views. Mr. Wilson advised that the trees had been trimmed to the satisfaction of the affected owners.

1. Adjournment

The meeting was adjourned at 4:30 P.M..

Respectfully submitted,


Graciela de Quesada, Secretary