

CHAMONIX-AT-WOODRUN ASSOCIATION
BOARD OF MANAGERS MEETING
September 2, 1999

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. 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 Board minutes of the February 9, 1999, Board meeting, and Mr. Cole seconded. The motion was unanimously approved.

III Old Business

A. State of the Property

The south fire escape footings on B Building were adjusted back into place in June. Twelve steel piers were driven into the fill/soil beneath the footings. Our structural engineer inspected the structure and indicated no further adjustments would be needed at this time. In the process of pier installation problems with drainage on the south side of B Building were identified. The domestic hot water supply lines continue to develop random, minor pinhole leaks. Fire sprinkler lines in the underground parking are also developing leaks. The lines are being repaired, as leaks appear. All but one of the private condominium decks have been resurfaced, and some punch list items for these decks remain scheduled to occur this fall. C Building's fourth floor entry is scheduled for surface repair this fall. The exterior concrete wall was painted this spring. The pool deck epoxy-rock surface is scheduled for additional epoxy treatment this fall. New door seals were installed in all exterior lobby doors.

The A Building elevator car redecoration is complete, and management has received good comments from all who have seen it.

The Applebaum's decorator also created a design for the A Building first floor lobby. The plan is similar to the elevator with custom wood panel wainscot and high quality furniture. The Applebaums would like other owners in A Building to participate in the cost of the decoration project. After discussion, Mrs. Cole made a motion to have Mr. Wilson thank the Applebaum's for their generosity and efforts. Mr. Wilson is further to advise them that the Board has decided that the design of the common areas needs to remain consistent throughout. As the lobbies throughout Chamonix have been recently renovated, the Board has decided to defer on any proposals for renovations in the near term. Mrs. DeQuesada seconded, and the motion passed.

Incorporation of the leased living room space into the interior of Unit 21 occurred July 2, 1999. As a result of the ownership change for this space, the Spanos family was required to pay a prorated portion of 1999 Association assessments on the space. Mr. Spanos's

assessments and fractional ownership in the Association will change as of the 1999-2000 fiscal year.

- B. Projects - We have identified some projects for the Board to consider incorporating into the budget for the upcoming year below:

- 1. Exterior entry light replacement

Light designs and prices provided by Rising Sun Enterprises, Inc. were reviewed by the Board. The two larger lights and sixteen 14" x 12" lights would cost approximately \$3,500, installed. Two different light styles were reviewed by the Board. The Board preferred the 900 series. There is a line item in the reserve fund for exterior light replacement, which is presently funded with \$5,000. Mrs. Cole made a motion to approve of the proposed lighting installation. Mrs. DeQuesada seconded, and the motion passed.

- 2. B Building drainage, lobby and walkway repairs

Mr. Wilson presented a proposal from a local contractor to remove the present concrete floor inside the entry to B Building third floor, walks outside the entry and toward the pool, excavate the existing drains, install a new drain system, backfill and replace all concrete work, repair wall damage from settling, and realign the fire escape foundation. As management could not locate any other contractors willing to bid on the project, the original building developer/contractor arranged for another contractor to review the proposal. He commented that the proposal was "not a bad price". After discussion, Mrs. Cole made a motion to accept the bid from Mr. Pierce to perform the work. Mrs. DeQuesada seconded, and the motion passed. The exposed aggregate for the deck from B Building toward the pool will be included in the project.

The reserve fund deck repair line was the funding source designated for B Building repairs this spring. With the expanded scope of the repairs, the funds in this deck line are insufficient. Management suggests that the Board approve a transfer of funds from the reserve elevator replacement line to a new line item created to segregate the costs of this major repair. Management has adjusted the reserve fund model, accordingly, to begin replenishment of the elevator line item funds.

- 3. Trash enclosure

A number of years ago the doors to the trash collection area were added onto to prevent Bears from entering the enclosure. The additions were fabricated from plywood and therefore do not match the appearance of the rest of the courtyard. Three different approaches to make the enclosure finish compatible with the rest of the courtyard were discussed. Installation of a roll-type, commercial garage door (\$4,800), installation of a residential garage door with lap siding above the door to match the siding on the exterior of the enclosure building (\$3,600), and matching siding for the portion above the present door (\$1,000). The last option would most likely leave a section of plywood exposed because of the way the doors are constructed and operate. Mr. Cole recommended that the Board approve the installation of the commercial garage door for \$4,800 as the best looking and most efficiently maintained. Mrs. DeQuesada made a motion to approve the purchase of the

commercial garage door. Mrs. Cole seconded and the motion passed. The Board instructed management to fund the cost of the garage door through creating and retroactively funding a new line item in the Reserve Fund.

3. Stucco façade at B and C Building garage entries

An owner in C Building has asked the Board to consider installing a stucco façade on the concrete walls leading to the garage. Based on the estimates used last year, the cost for B and C Building entries would range between approximately \$21,500 and \$25,000. If approved, this may need to be a spring project because of the difficulty of finding an available contractor this fall. The Association has \$17,186 in the stucco replacement and repair reserve lines. If the reserve funds were allocated to this project, the reserves could be augmented in future years. Mr. Cole made a motion to advise the owner in C Building that the Board considers this project to be a capital improvement. The Board will include this project on the next capital improvement survey to the owners to see if they would like to fund this improvement.

4. Enhanced 911 dialing

A letter from the Snowmass-Wildcat Fire Marshal indicating our phone system will not allow automatic identification of callers to 911 was reviewed. Our phone contractor estimates the equipment and installation costs for a system that could properly code the phones is approximately \$20,000. The portion for Chamonix would be \$4,200. In addition there would be a continuing monthly cost for two special purpose phone lines required with the new system (\$200/mo). The lease on our present equipment terminates in November 2000. At that time the phone switch could be replaced with one that provides the enhanced identification, or the present switch could be modified to accommodate the fire department request. We have yet to discuss the issue with the other Boards in the WCE group. Mr. Cole made a motion that the Board instruct management to put a proposal together for us to amend the terms of our lease to add this option without affecting our lease payments, possibly increase the term of the lease.

C Rentals, Rates, and Unit Upgrades

Rental Program

Rental bookings for the winter of 99-00 are now about on pace with those of last year, as pace over the last sixty days has slowed for holiday bookings. We attribute the slower booking pace to limited air, our higher price structure, and fear in the general public about traveling over New Years. To combat the problem we are adjusting our prices and commission structure, and we are encouraging our clients to book air through Eagle and Grand Junction airports. Summer bookings for 1999 are up slightly over last year's pace through August, and we expect modestly increased revenues over last year.

Chamonix units achieved an average rate last winter of \$709, up by \$106 per night from the prior year, or 18%. Average rental nights per unit were down 12%, while rental owner use was up by 13%, resulting in an increase of 3%, or \$1,754, in average rental revenue per unit. SLC properties last winter achieved an increase in average rate per rental night of 13%, with

rental nights per rental unit down 16%, and owner occupancy down 6%.

Summer 1999 season gross revenue over the entire rental program is expected to be up an average of 3%, compared to last year.

IV Accounting and Budget

A Current Financial Position

The Association has a \$9,246, or 10% surplus, as compared to the plan after three quarters. We have listed variance notes below:

Income - Up \$1,008, or less than 1%, from plan. Assessments are above plan because the Spanos family gained ownership of their extra living room space, which required them to pay a prorated assessment on that space for the year. Rental income is up because the employee units have been fully occupied. Interest Income has been less than the plan, as fewer owners have been late on assessment payments.

General & Administrative - The Association is under budget by \$25, or less than 1%, YTD on higher insurance, depreciation and telephone repair costs, offset by low Legal and Directors Expenses.

Utilities - Gas costs are down \$4,533, or 11% YTD, because of lower than anticipated gas unit prices and reduced consumption. Small variance in other utilities leaves the category under budget by \$5,365, or 7%.

Repairs & Maintenance – Down \$2,847 YTD, or 2% from budget. Snowmass Lodging Company repairs are up due to heat system, fire sprinkler, and window repairs. High Firewood consumption, Snow Removal, and Special Projects costs are fully offset by savings in Pool Maintenance, Custodial and Roof repairs. Some of the YTD Pool Maintenance surplus will be used this fall, as the deck needs an epoxy coating.

Four Association members have delinquent assessments at the end of July. Recently, Mr. Spanos' lawyer indicated Mr. Spanos would like to clear up the dispute over legal fees related to his common area lease/purchase. Chamonix Partners, owners of unit 33, owe \$971, Mr. Webber, owner of 37 owes \$1,781, and Mr. Siegel, new owner of 47, owes \$3,165.13. Lee will contact all delinquent owners to see if the payments can be brought current prior to the end of the fiscal year.

B Reserve Fund Status

Reserve Fund charges during the first nine months of \$21,696 were expenses related to the B Building stabilization and investigation into the causes of the settling. Exterior deck surface work is continuing, with further reserve fund charges expected by fiscal year end. Other charges to the Reserve Fund through three quarters are for replacement of employee unit carpeting, boiler repairs, fire sprinkler system repairs, and deck resurfacing.

C 1999-2000 Budget Review

Management proposes that the general assessments increase for the 1999-2000 budget year by 10%.

General and Administrative costs are forecast to increase approximately 5%. 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 and increase in local labor costs, Maintenance will be billed at a rate of \$26/hour, and Housekeeping at a rate of \$25/hour beginning this fall. The Painting and Staining line will return to the budget this year as the remaining Deferred Paint Reserve has been used.

Mrs. Cole made a motion to approve the budget as presented. Mrs. DeQuesada seconded, and the motion was carried.

V New Business

A Date of Next Meeting

As determined for the Annual meeting of February 1999, the Annual meeting will be held on the second Tuesday in February (February 8, 2000), at 4:00 P.M. in the Chamonix Conference Room. The Board will meet briefly at 3:30 P.M. Mrs. DeQuesada made a motion to approve the date of the annual meeting. Mrs. Cole seconded, and the motion was approved. The Board also approved sending out a holiday staff gratuity letter as a customary procedure.

B Garage – Mr. Cole advised the attendees that Dr. Bramlet, prior owner of unit #47, has advised the Board that he plans to retain use of the private garage space assigned to unit #47, even though he is no longer an owner here. Mr. Cole made a motion that the Board instruct management to contact a lawyer and research the issue regarding ownership and rights to the future use of the garage. Mr. Wilson will advise the Board of the results of the research.

C Board Size – As Dr. Bramlet is no longer on the Board, Mr. Wilson asked the Board if they thought the current size of three members was appropriate, or if they thought adding two new members would be the most effective structure. After discussion, the Board decided to stay at three members.

VI Adjournment

The meeting was adjourned at 5:25 P.M.

Respectfully submitted,



Graciela de Quesada, Secretary

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