

CHAMONIX-AT-WOODRUN ASSOCIATION
BOARD OF MANAGERS MEETING
September 19, 2000

I Call to Order

Andy Cole, President of the Board, called the meeting to order in the meeting room of Chamonix Condominiums in Snowmass Village, CO at 4:00 P.M. 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

Anita made a motion to approve the Board minutes of the February 8, 2000, Board meeting, and Grace seconded. The motion was approved.

III Old Business

A. State of the Property

This spring all lobby artwork was replaced with coordinated, high quality prints with mountain and natural themes. Additional ivy arrangements have been placed on the iron lobby tables throughout the property. Many of the lobby walls were painted during the spring and summer. Painting and door trim refinishing will continue this fall. New, coordinated accent pieces (tissue holders, waste baskets, soap dispensers, etc.) have been added to the common baths. Six of the new exterior light fixtures have been installed, and (13) are scheduled to arrive in approximately two weeks. The dysfunctional fixtures (both sets) that were installed last fall will be returned to the supplier for credit.

The awnings are showing their age. Replacement or other entry options will be discussed below.

The trees and plants around the property have matured, and we have a landscaping review plan designed to update the grounds. The irrigation system is designed to use untreated ditch water. However, there have been problems with the ditch collection system for a number of years. Woodrun Five Townhouses and Woodrun Place share the supply system with us. Our intent is to complete repairs to the ditch collection system, now that water from town sources is metered, and charges are based upon consumption. There is a connection off a treated water main at Woodrun Five that has been used as an alternate free supply source, but it is now metered. Chamonix will have to pay a portion of the costs of the metered water and the repair expenses to the irrigation collection system. Wayne Floyd, Woodrun Five Manager, and Lee Wilson negotiated a pro-rated expense split based on the lot sizes, which will be used for all irrigation related expenses. Chamonix's portion is approximately 10%.

A carpet contractor is reworking the lobby carpet seams to tighten seams and glue down loose pieces.

Temporary "Bear-proof" trash bins were purchased late this summer in response to high bear

activity.

The swallows were more of a problem this year. Increased window cleaning helps, but does not solve the problem. We have a proposal to install nesting preventers described under optional projects for Board consideration below.

Minor roof repairs to replace missing ridge caps are scheduled for this fall. The gutter on the inside of the entry bridge was replaced in August. Repairs to B Building gutters and downspouts and an additional water collection pan in the lower parking area are scheduled for installation this fall.

We repaired leaks in the domestic hot water supply lines and the fire sprinkler lines in the underground parking. We replaced double pane windows, as seal failures between panes occurred. We also replaced worn window weather stripping in the operable windows.

C and B Building's 3rd and 4th floor entry surfaces were repaired this fall. Robert Trown, a local architect, was consulted regarding a change of deck color. New exterior doors have been installed in B Building 3rd and 4th floors.

Repairs to the fire alarm panel, which was damaged by an outside contractor during the walkway replacement last fall, have been completed. Reimbursement by the contractor's insurance company is pending. More recently, a lightning strike destroyed a number of components of the fire alarm panel. One backup module is still on order, and a false alarm last week alerted us to another wiring problem in the panel. A lightning protection specialist is scheduled to review the system in late September.

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

1. Foundation jacking at NW and SE corners – Two support columns at each corner of the building appear to be settling similar to the way B Building was last year. We have been monitoring the effects of the settlement for a few years. The effects are now being seen at the top of one of the columns, and the problem should probably be addressed, before structural damage to the steel girders can occur. Based on the cost for the similar work last year, the jacking should cost approximately \$15,000 to \$20,000. A representative of 3-D Piering, who worked on B Building last year, is scheduled to review the structure in late September. There would also be some expense related to repairs to the decks next to the posts. These deck repairs should be much less than the repairs needed at B Building last year, which included extensive drainage repair. All this work would most likely be scheduled next spring. Since the column movement is affecting the decks, these repairs could be paid from the reserve fund for deck repairs. Andy and Lee looked at the affected area prior to the meeting. They feel repairs are needed at the SE corner (near unit 30), and the situation at the NW corner should only be monitored for now. Andy made a motion to approve of repairs at the southeast corner with funds from the reserve fund for entry resurfacing. Grace seconded, and the motion passed.

2. Garage driveway slab jacking – Mr. Wilson presented a proposal for \$6,400 (plus \$10/cu ft grout over 206 cu ft) from a Grand Junction contractor to inject

concrete grout under the north side of the concrete slab at parking spaces 17, 35, 45 and 54. The driveway surface is settling relative to the wall in that area. The contractor specializes in drilling holes in the concrete slab and injecting the grout to support the slab from underneath. The Board deferred this project until the February 2001 meeting to allow for further investigation of repair options.

3. Driveway/upper parking surface replacement - We have an on-going problem with leakage from the courtyard surface to the garage below, a surface deterioration problem with the driveway, and high, seasonal snow removal expense. In response to these problems, we are working with a local contractor to develop a proposal to replace the existing concrete driveway surface from Wood Road throughout the courtyard, including the entry steps to B and C Buildings, with an esthetically pleasing heated surface, which will be a statement of quality for the Chamonix entry. An appropriate color and texture could be chosen to accent the architecture of the building. There are a number of unresolved engineering considerations at this time. It may be necessary to reline the planted areas to address the leakage problem. The contractor located an engineering firm in Denver that has extensive experience with parking structures. We are awaiting information from the engineers. A heating engineer toured the property earlier this summer and suggested that we should replace the domestic water heaters with more efficient boilers, which could be sized to also heat the new driveway area. With the newer, more efficient boilers the engineer said the present flues would be sufficient even with the increased heating capacity. Mr. Wilson will update the Board, as more specific information becomes available. There would be a future expense related to gas costs for the additional heated area, and a savings from a significant reduction in snow removal costs. Mr. Wilson asked for input from the Board on this project. Mr. Treadwell called T.J. Brownson, the contractor who originally built the concrete structure, and asked him about the prospect of replacing the upper layer of concrete. T.J. confirmed that the replacement should be possible. In light of the need to remove landscaping elements to address the leakage, as well as the deteriorating concrete surface, the Board asked that Robert Trown, our local architect, create a plan, which would coordinate the replacement design with the entire property. Reserve funds will be utilized to proceed with research on this proposal.

4. Bear-proof trash receptacles - Snowmass Village now requires bear-proof trashcans for all exterior locations. We presently have three large plastic cans that satisfy the City, but they are not esthetically pleasing. Large, wood sided containers would cost approximately \$800 each. Mr. Wilson asked for the Board's input on purchase of containers. The Board directed Mr. Wilson to have Robert Trown recommend receptacles that will complement Chamonix. The receptacles will be a capitalized asset.

5. Swallow nesting preventers - We have a proposal for approximately \$6,000 from a local company to remove nests and install metal barbs in the areas, where birds have nested. This is in line with the estimate from a few years ago for netting installation. Orkin also installs similar devices. Both contractors say the barbs are effective nesting deterrents; however, they admit no devices are 100% effective. The Orkin representative also mentioned a bird mite, which can get into structures from the nests/birds. The Board tabled this topic until the February meeting.

6. Wall and door near laundry, AA Building - Mr. Wilson presented a plan

for a short wall with wooden door in the first floor lobby of AA Building. The partition would provide noise and visual screening between the lobby and the laundry and housekeeping area. We would probably use our maintenance staff for most of the construction and finish. We estimate the project to cost about \$2,500 to \$3,000. After discussion of noise and other esthetic considerations, Grace moved to have the wall constructed using reserve funds. Anita seconded, and the motion carried.

Andy commented on the necessity of keeping the highest level of maintenance at Chamonix because of the high value per square foot and high rental rates. The property is now 15 years old in an area with extreme weathering conditions. The other Board members agreed it is very important to maintain the quality and value of the property. Grace and Andy indicated they would be willing to consider a special assessment to fund major maintenance and improvements for Chamonix. Anita pointed out the substantial reserve funds for replacements.

C Rentals, Rates, and Unit Upgrades

Rental Program

Mike George reported on rental trends. Good early snow and press is critical for our rental sales. Rental bookings for the winter of 00-01 are now lagging only slightly from last year's pace. Holiday bookings have been slow all summer. We attribute the slower booking pace to a hesitancy to commit to weeklong bookings until snow conditions are more apparent. To combat the problem we are adjusting our commission structure, and we are beginning to accept some shorter stays.

Chamonix units achieved an average rate last winter of \$771, up by \$61 per night from the prior year, or 9%. Average rental nights per unit were down 10%, while rental owner use was down by 9%, resulting in a decrease of 5%, or \$2,797, in average rental revenue per unit. SLC properties last winter achieved an increase in average rate per rental night of 5%, with rental nights per rental unit down 4%, and owner occupancy down 8%. The SVRA has reported an estimation of an overall decline of 10% for this same period.

While conference center business is reported by the SVRA to have declined dramatically during the summer of 2000, rental revenues for SLC properties have experienced a decline of 6% over sales of the prior year. However, most of this decline is from the fewer long-term rentals at Owl Creek, and Chamonix owners should have essentially flat summer economic performance, compared to the prior year.

Andy Cole observed the trend of maintenance costs increasing at the same time that rental incomes are flat to decreasing. He also mentioned the sophisticated revenue based system employed by Snowmass Lodging Company to insure each rental owner a fair share of the rental business.

IV Accounting and Budget

A Current Financial Position

After review of the boiler and other related plumbing system repairs that were discussed in the third quarter report, those costs were reclassified to appropriate reserve categories. After those corrections, we estimate that the Association will end this fiscal year approximately 2% over budget on an expenditure plan of \$487,689.

B Reserve Fund Status

The following items have been expensed to the reserve fund to date this fiscal year: Exterior light replacements (\$1,204), fire sprinkler line replacements (\$7,946), B Building walkway replacement (\$8,792), C&B Building entry resurfacing (\$1,276), spa pump replacements (\$2,032), domestic boiler circulation pump replacement (\$2,360), and boiler system repairs (\$22,500).

C Assets purchased

The following Association assets were purchased so far this fiscal year: elevator sign cabinets (\$517), lobby prints (\$1,849), lobby ivy arrangements (\$330), new dumpster door (\$2,603), exterior light fixtures (\$5,148).

D 2000-2001 Budget Review

Management proposes that the general assessments increase for the 2000-2001 budget year by 13%. Approximately 2% of this increase is required to make up for costs carried from the 1999-2000 deficit.

General and Administrative costs are forecasted to increase approximately 6%. Management proposes an increase in the Front Office fee of 15%, or \$7,369. This past summer management was unable to fill all of the available Front Desk positions, despite offering a competitive wage and good benefits. Mr. Treadwell, in response to this problem, has purchased a four-bedroom Columbine town home in Basalt, and management plans to use it for seasonal and year-round housing. Management hopes that increased wages and access to a larger pool of available staff housing, albeit down valley, will improve our ability to secure staff for the upcoming winter season and future years. Management also proposes to increase Vehicle rental costs by \$1,500 in response to higher fuel and operating costs. The Woodrun Place Board has approved the front desk and Vehicle rental cost increases, and management will propose the same increases at the Enclave budget meeting in October.

Utility line items have been increased 3 to 30% to reflect increases anticipated by our providers, for an overall category increase of 20%.

Management anticipates the need for increases in various Repairs & Maintenance line item costs in response to expense patterns this year, totaling 9% for this category over the budget for last year.

Anita made a motion to approve the budget as presented. Grace seconded, and the motion carried.

V New Business

A Date of Next Meeting

The Annual meeting will be held on the second Tuesday in February (February 13, 2001), at 4:00 P.M. in the Chamonix Conference Room. The Board will meet at 3:00 P.M. Andy made a motion to approve the date of the annual meeting. Anita seconded, and the motion was approved.

VI Adjournment

The meeting was adjourned at 5:35 P.M.

Respectfully submitted,

Graciela de Quesada, Secretary

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