

CHAMONIX-AT-WOODRUN ASSOCIATION  
BOARD OF MANAGERS MEETING  
September 25, 2002

I      Call to Order

Anita Cole, President of the Board, called the meeting to order by conference phone call at 2:02 P.M. Colorado time. Other Board members present by conference phone call were Graciela de Quesada, Betty Lebovitz, Richard Brown, and Peter Van Giesen. Nonmembers present at Chamonix were Mike George, Dan DiMaria and Lee Wilson of Snowmass Lodging Company.

II      Approval of Minutes

Mr. Brown made a motion to approve the Board minutes of the February 12, 2002, Board meeting, and Dr. Van Giesen seconded. The motion was approved.

III      Old Business

A.      State of the Property

The following repairs and replacements were completed since the last board meeting:

Following a catastrophic blockage and sewage back-up in early February, the B Building line was replaced from the B Building foundation to the sewer main along the ski-lift line. The B Building line had settled so that material collected in a low section and formed a dam in the line. Sewer lines were videotaped from AA, A, B, and C buildings to the main. No problems similar to the B Building problem were identified. We repaired leaks in domestic hot water supply lines and fire sprinkler lines in the underground parking. Main heat control valves and circulation pumps were replaced, and antifreeze was added to the heat system. The heat exchanger was replaced in one of the two hot water boilers. We replaced approximately 8 double pane windows, as seal failures between panes occurred. We installed a new connection from our water main to the lawn sprinkler system. This will allow us more control over grounds watering when problems arise in the irrigation ditch supply. There was a break in the irrigation line from Woodrun Five that had to be repaired in early summer. Our fire alarm system required repairs in two zones and the communication module. We replaced the tile in the conference bath, second floor B Building. An additional heat exchanger was added to spa system to increase gas savings in the main heat system. The pool and spa required major repairs to the filtration and electrical control systems. We recoated the pool deck with epoxy to hold the deck pebbles. We painted rails and walls around the courtyard.

The following are repair or replacement projects anticipated in the near future:

The heat exchanger in the second hot water boiler will be replaced this fall. We are having awnings throughout the property recovered in a brown color selected by our architect. We will patch uneven sections of the courtyard concrete with a thin surface coating to reduce the chances of trip and fall incidents. Ski locker doorknobs are scheduled for replacement. Gutter pans will be repaired and some new pans installed in the lower parking.

## C Rentals, Rates, and Unit Upgrades

### Rental Program

Management reported on rental trends. SLC rental revenues from last winter and summer are down 2% and 11%, respectively. For summer business, SLC average weekly occupancy exceeds that of SVRA member-reported occupancy by 5%. Our forecast is that revenues for this winter may be down 20-25%, based upon early pace being down 36% to date for winter 2002-2003. Market comparatives for advance booking pace are not available, so it is difficult to predict our performance against the rest of Snowmass Village properties in advance. We hope to pick up some of the shortfall, approximately half, or 20%, over the next five weeks, as last year our bookings during that five-week period were very few.

SLC acknowledges the increased fees paid by the Associations for 2001-2002 and has incorporated a no increase in management and front office fees in the 2002-2003 budget. Mr. Treadwell of SLC accepts the risk that business will pick up for 2002-2003, and SLC does not request material fee increases from Woodrun Place, The Enclave, or Chamonix during that period.

## IV Accounting and Budget

### A Current Financial Position

The Association has a 7% deficit, or \$4,011, as compared to the plan, after 10 months. There are savings in utility costs, exceeded by high expenditures in the Repair and Maintenance, pool, painting and grounds categories. Reserve funds were utilized for a number of the larger replacement projects.

### B Reserve Fund Status

The following items have been expensed to the reserve fund to date this fiscal year: main heat valve and circulator pump replacement \$4,508, courtyard planning \$6,201 (expensed to the drive replacement line), Awning replacement (1/2) \$5,870, B Building sewer line replacement, \$11,881, irrigation and drainage \$6,350, and pool heat and filter systems, \$2,178. In addition we expect reserve expenditures in the last two months of the fiscal year for the two hot water heat exchangers, approx. \$9,400, and the second half of the awning cost, \$5,870. This leaves the Association a reserve balance of \$382,264 at the end of the fiscal year.

### C Courtyard remodel

An estimate for the plan as proposed by Robert Trown and Associates was reviewed. Mr. Wilson described feedback he has received from owners since the letter went to all owners in April 2002. The Board discussed financing options and scope of work. After discussion the Board directed SLC to delete the center landscaping, truss, roof elements, and stone veneer from the budget and poll the homeowners to find out if they support the investment. A second question on the ballot will be a preference for financing versus a one-time special assessment. SLC will report the results of the poll back to the Board in January 2003. Alternate routing for the lower parking exhaust vent will be added to the project scope, as a result of removing the center landscaping.

The flower boxes around the courtyard and pool deck need replacing. The ones around the courtyard would be eliminated if the courtyard project were to proceed. Replacement is estimated to be \$3,300. The Board directed management to remove the flower boxes and install additional flower pots.

#### D 2002-2003 Budget Review

Management proposes that the general assessments increase by 5.7% for the 2002-2003 budget year.

The next fiscal year income budget, excluding assessments, is set at the same levels as the 2001/2002 budget. We forecast a return to full employee unit occupancy, and small interest income increase.

General and Administrative costs are budgeted to increase 1.6% compared to this years projected level, primarily because of an increase in insurance premium and depreciation adjustments.

Utility costs in the aggregate have been increased by 7.7% to reflect costs anticipated by our providers. Our gas provider advises us to expect an increase in the 10-15% range, so we have included a 12% increase over the current year cost.

Management forecasts the Repairs & Maintenance category to have costs similar to this year's expenses, with inflationary lifts to various lines utilizing outside vendors.

The Reserve Fund assessment drops from \$40,215 to \$33,606, as management eliminated current year funding for Driveway Replacement until a decision is reached on the Trown plan. One new line was added to the Reserve Fund to recover the costs of major repairs to sewer/drainage/irrigation systems and provide funds for future costs. Asset life for this line item is set at 20 years, but we have accelerated funding by a factor of two to increase the availability of cash in the near term for these types of expenses. The roof reserve was left at a level that would allow for replacement of sections in the near term, but not the entire roof. Our roofing contractor estimates 5 to 6 years remaining for the present shakes. Management notes some curling and deterioration of the shakes, which is only cosmetic at this time. We have extended the life of a number of the major heat and hot water systems by replacing key components, and we have incorporated those changes into the Reserve Fund Budget.

Both conference room and common area carpeting were scheduled for replacement in 2003. However, the condition of the carpet is still good, and we recommend deferral of any replacement for one-two more years. A portion of the pool furniture is scheduled for replacement in 2003.

#### High-speed access to the Internet

A plan to install HSIA (High Speed Internet Access) throughout the properties was discussed. The plan uses present phone lines to condominiums with a connection module in each condominium (about the size of a PDA and can be easily hidden out of sight – it does require a power outlet) that each user connects to his computer and telephone. The connection splits the voice and data while allowing simultaneous use of both without an interruption of one or

the other. The system connection would allow access to a maximum 1 megabit per second connection system-wide (if and when needed a 26mb upgrade is available for substantially more \$). It is plug-and-play ready, meaning anyone can plug any computer in and the HSIA software will automatically adjust it's settings so that the user can connect without reconfiguring their computer.

The Board discussed the proposal. Mrs. Cole asked if any other local properties use the proposed service. Mr. DiMaria replied that SLC has a DSL line up and in place that has not had any service calls since installation. Mrs. Lebovitz asked about using cable as the source, and Mr. DiMaria replied that the monthly service cost for cable is much higher, so that costs over time are much higher. Mr. DiMaria advised the attendees that most pc's that are five years old or less have the appropriate jack to simply plug into the phone plug. Mr. Brown requested a copy of the contract for the acquisition, and Mr. DiMaria replied that he will email or fax the proposal to the Board of Directors after the meeting. Mr. DiMaria of SLC advised the attendees that Woodrun Place has approved a special assessment for their portion of the acquisition costs of this system with a not-to-exceed total of 110% of \$60,000, or \$66,000. The Enclave has yet to hold their budget meeting, but Mr. Blumenthal of that Board strongly supports the concept and will aggressively support its acquisition. The Chamonix Board directed management to include the high-speed access in the regular assessment.

Mrs. Cole made a motion to approve the budget as amended to include the cost of participating in the Cisco high-speed internet access acquisition. Mr. Brown seconded, and the motion carried. The assessment is therefore set at \$593,744, or an increase of 8.31% over the prior year.

## V New Business

### A. Upgrade to phone switch

The phone switch will be upgraded this fall to allow outgoing phone calls to be identified by 911 operators. The new phone switch will allow cost savings in operational charges that will offset the installation costs over approximately one year.

### C. Base Village

Intrawest has received sketch approval for its development of Base Village and the outlying parcels that it has included in its sketch plan. The development now will go through preliminary review, the next step in the land use process. The Board reviewed a map showing the proposed lift alignment near Chamonix provided by Aspen Ski Company. Discussion included the height of the towers (approximately the same as the present Woodrun lift), gondola size (approx 6 people), a possible increase in skier traffic by Chamonix and the difficulty of installing the lift with another alignment.

### D. Condominium soundproofing

The owner of Condominium 21 had acoustic ceilings installed in two bedroom ceilings to reduce the noise from the condominium above. They found the ceilings to be effective in reducing the noise level. The design would be applicable to other condominiums at Chamonix. An acoustical engineer from Denver charged \$3,348 for the design portion of the

project. The engineer also provided information regarding flooring underlayment products available to reduce noise transmission to a condominium below. A local contractor was utilized for the ceiling work. Mr. Wilson, referencing an earlier discussion of the funding of these costs, asked the Board if it would be willing to split the expense of the engineering with the owner of 21, as other owners now have the benefit of the information. At present, the budget does not include any funds for reimbursement of engineering costs to the owner of unit 21. Mrs. Cole made a motion to pay for half of the engineering costs. Mrs. De Quesada seconded, and the motion passed.

Mr. Wilson asked the Board members if they wanted to establish a rule to require this underlayment product for any replacement of floor surfaces. The Board asked Mr. Wilson to investigate the legality of setting such a rule and report back to the Board at the next meeting.

#### E. Date of Next Meeting

The Annual meeting will be held on the second Tuesday in February (February 11, 2003), at 4:00 P.M. in the Chamonix Conference Room. The Board will meet at 3:00 P.M.

#### VI Adjournment

Mrs. Lebovitz made a motion to adjourn. Mr. Brown seconded, and the motion passed. The meeting was adjourned at 3:50 P.M.

Respectfully submitted,



Graciela de Quesada, Secretary

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