

CHAMONIX-AT-WOODRUN ASSOCIATION
BOARD OF MANAGERS MEETING MINUTES
October 11, 2005

I. Call to Order

Betty Lebovitz, President of the Board, called the meeting to order by conference phone call at 2:05 P.M. Colorado time. Board members present by conference phone call were Betty Lebovitz, Don Anthony, Grace de Quesada, and Dr. Peter Van Giesen. Dick Brown was present at Chamonix. Nonmembers present at Chamonix were Mike George and Lee Wilson of Snowmass Lodging Company.

II. Approval of Minutes

Mr. Brown made a motion to waive the reading of the minutes of the February 8, 2005, and April 29, 2005, Board meetings, and Dr. Van Giesen seconded. The motion was approved. Mr. Anthony made a motion to approve the Board minutes of the February 8, 2005, and April 29, 2005, Board meetings. Mrs. Lebovitz 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:

- All courtyard facing walls and trim were painted, including a change to a dark brown trim color.
- Stucco was repaired near the driveway entry and northwest corner of the office building. The driveways were sealed, with minor repairs.
- Our fire alarm system was inspected and repaired, as required. New fire alarm wiring was installed from the fire panel to C Building.
- New primary electric wiring was installed from the exterior transformer into the mechanical room, and a new main switch was installed in the mechanical room. The wiring was compromised during the water main break repairs, and the switch was found defective during line replacement.
- New oak doors were installed at C, A, and the Office entries. All front door hardware was refinished.
- Railings were installed and upgraded surrounding the pool deck. One access gate was added to the pool enclosure. The pool deck was coated with epoxy. Mr. Brown commented that the railing along the stairs adjacent to the pool should also be brought to code to minimize liability, and the B Building third floor entry ceiling and shingles should be refinished now that the garage leakage has been eliminated. Mr. Wilson indicated those projects would be addressed. He will provide cost estimates to the Board to bring the remaining railings on the stair access to the pool area up to current code.
- Gutters were installed on high eaves over AA Building entry, and at the interior drive-through. Gutter heat tapes were replaced on B Building, and

gutters were adjusted on the C Building entry. A roof leak was repaired at the AA entry. Pinhole leaks in the hot water piping were repaired in C, and A Buildings and underground parking.

- Windows with broken seals were replaced in three condominiums.
- All dryer ducts were cleaned, and chimney inspection/cleaning is scheduled in October.

B. Rentals, Rates, and Unit Upgrades

Snowmass Lodging Company Rental Operations – Gross revenues from the rental program by \$174,038, or 6%, for the fiscal year of May 2004 through April 2005.

Work on units 46 and 54 continues, as the owners of 46 are performing an extensive remodel and those of 54 are installing new tile, cabinets, and counter tops.

IV. Accounting and Budget

A. Current Financial Position

The Association has a 19% deficit, or \$15,996, as compared to the plan, after 10 months. SLC forecasts that the Association will finish the fiscal 2004-2005 year with an operating deficit of about \$17,524 against plan. General & Administrative costs are forecasted to be under budget by about \$410 for savings in Management Fees, partially offset by greater than expected telephone (internet) repair expenses. Utility costs for Gas and Electric service are expected to be over budget by \$11,751 and \$5,956, respectively. Repairs & Maintenance expenses are forecast to be under budget by approximately \$526. Except for the unexpectedly high Gas and Electric costs, the Association is essentially on budget, with other line item variances offsetting.

B. Reserve Fund Status

The following activity was (or will be) recorded in the Reserve Fund this fiscal year:

The entries to the Reserve Fund were for interest income on Reserve Fund bank accounts and to transfer \$3,250 to the Exterior Surfaces Fund, less \$1,381 in repair costs. This leaves the Association with a projected Reserve Fund balance of \$384,735 at the end of the current fiscal year. As the outside auditors recommend that Chamonix carry no Miscellaneous line balance in the Reserve Fund, Management proposes reclassing the expected credit balance of \$1,905 to help increase funding for roof replacement. Mr. Brown made a motion to accept these proposed adjustments to the Reserve Fund. Mrs. Lebovitz seconded, and the motion passed.

C. Courtyard remodel

All items on the project punch list are now complete. A final payment (+/- \$6,000) will be made in the near future. Mr. Brown recommended adding \$3,000 to the operating budget to complete the front entry project scheduled by Mr. Trown and the local landscaper, Dr. Van Giesen seconded.

D. 2005-2006 Budget Review

Management proposes that the general assessments increase by approximately 15%, excluding the increased Management Fee that will be offset from an economic perspective by all Chamonix members who sign unit rental and nonrental unit management agreements for the upcoming fiscal year. For purposes of reviewing the proposed budget, management will add the increased Management Fee to the assessment schedule at the end of this meeting.

The assessment increase is necessary to pay for the 2004-2005 deficit (primarily from higher Gas and Electric costs) and to increase the utility budgets for the budget year.

The major cost increases proposed in the 2005-2006 operating budget are listed below:

Management Fee – an increase in the Management fee was approved at the Annual Meeting held on February 8, 2005, for \$250 per unit per month.

Insurance – anticipated 5% premium increase, or \$1,296, based on increasing the replacement cost of the property by 5%.

Depreciation – increased to fund 40% of the depreciated replacement cost of new laundry equipment, to be purchased this fall, with The Enclave paying for 60% of both the capital outlay and the depreciation costs.

Vehicle Rental – increased by 25%, or \$1,482, to reflect increased fuel costs.

Electric – increased by 28%, or \$7,374, to reflect energy costs and half of the expected annual cost of financing of a power line underground burial surcharge. The second half of approximately 7% more will need to be added to the following year's budget.

Gas – increased by 40%, or \$38,386 to reflect expected unit price increases.

R&M Contractor - \$9,000 for driveway repair and sealing. Renovation funds will not be available to cover this cost next year. Although the drives may not need to be sealed next year, damage from chains and studded snow tires last winter indicates repairs and annual resealing may be necessary to keep the surface looking first class.

An additional increase will be necessary, if the Board decides to continue with the exterior painting plan and install card swipe door locks utilizing the operating budget. The Board discussed continuation of the project to painting all exterior stucco surfaces and change the trim color to brown. Painting the ski-hill side exterior of AA and A building would be approximately \$45,000, less contributions from the Deferred Exterior Surfaces Fund. After discussion the Board decided to defer a decision on the painting until the next Board meeting. The Board directed management to proceed with the Exterior Patio Light project, using reserve funds.

The Board also discussed the installation of a swipe-card door lock system throughout the property. The cost for the swipe-card system is estimated at \$38,000, based on 88 regular doors & 12 magnetic doors to accommodate full light doors. Try to negotiate a better deal (\$270 per lock) and do it now, or defer it until the assn can get a bulk deal. The Board will decide via email on new negotiated hard bid, whether to do the work this year or to join Woodrun Place on a bulk price deal.

The Reserve Fund assessment decreases from \$38,515 to \$34,828, as management made

the following adjustments to the Reserve Fund plan:

Line Item Funding (LIF)

Roofs	+\$10,000	transfer \$10,000 from Conference Furniture
Building Restoration	- \$1,187	costs have been fully repaid
Sewer Drainage/Irrigation Lines	- \$2,500	costs have been fully repaid
Conference Furniture	- \$10,000	transfer \$10,000 to Roofs

Anticipated Useful Lives (AUL)

Main Heat Circ Pumps	2006	deferred one year
Exterior Lighting	2006	accelerated two years
Interior Lights	2008	deferred two years
Carpet – Conference & Lobby	2008	deferred two years
Carpet – Hallways	2008	deferred two years
Conference Furniture	2007	deferred two years
Laundry Equipment	2006	accelerated six years
Hot Tub Tile Replacement	2007	deferred one year
Pool Furniture	2006	deferred one year

Stucco repair and replacement line balances collected in the budget year will be moved to the exterior surfaces fund, as the outside auditor advises that these items cannot remain in the reserve fund by IRS regulation.

Reserve Fund project proposed for 2005-2006 are: completion of the reserve funded projects started in 2005, including the C third floor deck, and pool railings. The Main Heat Circ Pump and the Pool Heat Exchanger are at the end of their scheduled useful lives, but we will only replace them, if the plumber so recommends after inspection. Patio Lights, Laundry Equipment, and Pool Furniture are all also scheduled for replacement.

Mr. Brown made a motion to approve the budget. Dr. Van Giesen seconded, and the motion carried. The assessment is therefore set at \$812,046.67.

V. New Business

A. Base Village

Base Village is moving along at a slower pace than originally contemplated due to delays in obtaining the 404 permit from the US Army Corps of Engineers and delays caused by the Referendum voting process earlier this year. All on-mountain ski lift improvements scheduled for completion this year will be completed prior to the opening of ski season, assuming that the contractor can obtain cement for the cabriolet. Completion of the first above grade structures, such as the Children's Center, is now expected to be one year behind the original schedule. The developer anticipates making up the lost time within the next three years and still expects to complete the project on the original schedule.

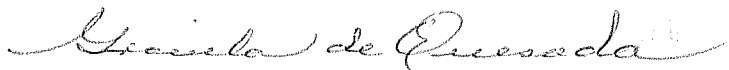
D. Date of Next Meeting

The Annual meeting will be held on the first Tuesday in February, Tuesday, February 7, 2006, 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. Dr. Van Giesen seconded, and the motion passed. The meeting was adjourned at 2:55 P.M.

Respectfully submitted,



Graciela de Quesada, Secretary

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