

CHAMONIX AT WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL MEETING  
February 7, 1993

The meeting was called to order in the meeting room of Chamonix Condominiums, in Snowmass Village, Colorado by James Treadwell, President of the Association, at 3:50 PM. Non-members present were Michael Adams, Rod O'Connor, Sharon Hall, Lee Wilson, and Lynne Haynes of Snowmass Lodging Company.

<u>Members present:</u>	<u>Unit</u>	<u>Points</u>
James Treadwell	47	10
	E1	5
	E2	6
	E3	6
Graciela & Alex de Quesada	45	12
Donna & Larry Harris	50	9
Martha & Peyton Woodson	26	18
Hank Anderson	22	11
Dick & Judy Ruhl	15	11

Members present by Proxy:

Paul and Jane Meyer	13	12
	23	12
	30	9
Kevin Coyne	20	10
Jim Sattler	25	11
John Schwab	27	9
James Luke	34	12
Ann Camner	36	15
Walter Edwards	40	9
James C. Hudson	41	12
John P. Thompson	44	12
Larry W. Harris	50	<u>9</u>

TOTAL POINTS

211  
(/332 = 63.6%)

Verification of the signed proxies established that the required quorum of 50% of Chamonix owners was achieved.

I. PROOF OF NOTICE OF MEETING

Michael Adams presented Proof of Notice of the meeting.

II. APPROVAL OF MINUTES OF MARCH 1991 ANNUAL MEETING

The March 1992 Annual Meeting minutes were approved as read.

III. ELECTION OF NEW OFFICERS

Mr. Treadwell wished to be re-elected. He advised that Paul Meyer was not interested in being re-elected. Mrs. de Quesada suggested that Jim Sattler be nominated to replace Mr. Meyer. Mr. Anderson nominated Mr. Treadwell and Mr. Sattler for election to the Board;

Mrs. de Quesada seconded. The vote was unanimous

IV. REPORT OF PRESIDENT

Jim Treadwell deferred to Mr. Adams to bring the Board & members up to date.

V. REPORT OF MANAGEMENT

A. Physical Property

Mr. Adams began by advising that the property had been re-keyed (for on-going security measures); the re-wiring of the fire alarm system may not have to happen; leak interceptors in the garages are to be installed; some storage spaces have been enclosed. Mr. Treadwell asked about contributions from the owners of #33 and #41; it was \$800/each. New awnings were installed and came in under budget at \$8,230. Mr. Treadwell asked if there had been any response; Lee Wilson said there had been some positive response. Mr. Treadwell explained the reason for installing them: adding some color; keeping doors from weatherizing and providing easier maintenance. Mr. Adams continued and advised that in the spring the drainage was improved in the parking circle. He then advised that there are some heating problems; some owners and guests are complaining. Lee advised that there is a backroom problem; usually complaints occur during the coldest days. Mr. Woodson agreed. Lee continued by explaining that the boilers are trying to keep up, but the water temperature can't be maintained at the proper temperature. Option #1: Add another boiler for \$16,000. Option #2: The Roaring Fork Energy Center can do an audit on the project and pursue the loss of heat theory. He explained the Center's initial findings. Mr. Treadwell asked about better publicity; Mr. Adams said the press could talk directly to Mr. Treadwell. Discussion followed about water & boilers. Mr. Treadwell suggested drawing some water from the pool's boiler. Lee explained the computerized thermostats available through the Energy Center. Discussion followed. The Board agreed to an audit by the Energy Center. Mr. Woodson reiterated that the heat isn't adequate; Mr. Harris commented on some paint which is splattered outside #50; Mr. Woodson commented on the humidistat in the solarium, questioning its necessity. Discussion followed.

B. Rental Report

Mr. Adams reported that 1992 was a good rental year; he went over the statistics he had prepared. The average rental was \$44,000/unit. The property was currently 1% higher in bookings than last year. He then distributed some graphs. The first graph showed how Chamonix compares in gross revenues with the Rocky Mountain average; we are much higher than the average. The amount distributed to owners is about 120% more. Mr. Woodson asked about the owner distribution; he thought it was lower than average. Discussion followed; it was clearly higher, and the second graph clarified the numbers. The third graph discussed assessments, which are higher than the average. Mr. Adams explained why it is an expensive property. Specifically, the amount of common area per unit is higher; the quality of the project is higher; because the project cost was high, insurance is higher; Chamonix has expensive amenities like heated drive and elevators; and the desire for quality (awnings, grounds, etc.) is higher. Also,

there are fewer units to share in the costs. With the fourth graph he discussed the specific costs associated with owning a unit. The Rocky Mountain average costs for non-rental units is approximately \$7,000 + mortgage; for rental units these costs are covered plus approximately \$4,000 in income; for Chamonix owners the cost is approximately \$12,000 + mortgage, but rental income swings that negative about \$25,000 to a \$13,000 income. In the fifth graph Mr. Adams discussed how Chamonix compares to Woodrun V and the historical lower income in costs. The last graph displayed the average 2 & 3-bedroom sales prices; the general trend has been upward. Mr. Adams then discussed the unit upgrade program and how it has affected both Enclave and Woodrun Place prices. The Enclave prices are up and the Woodrun prices are down, due primarily to the condition of the units.

### C. Financial Summary

Mr. Adams distributed the financial statements. The Association is currently \$6,000 over budget in 1993 (negative variance); some of that is due to timing due to year-end occurring October 31st. There was also a lot of staining and painting of rails this year. \$26,000 of negative equity. The footnote explains. We are not assessing for depreciation in the employee units; the accountants had to report it so we are assessing for principal payments. Eventually the 2 figures will be coming together. Mr. Treadwell went over what the Board wanted: a) to avoid any special assessments related to improvements of the property; b) strongest capital reserve fund as possible; and c) to keep homeowner assessment fees in line. At this point, most of the improvements have been made; \$66,000 was in the capital reserve fund, as well as \$33,000 and another \$5,000 receivable has been added. So now the fund holds an excess of \$100,000. Three more lockers will generate another \$22,500 in income. Chamonix is one of the strongest properties on the mountain.

Mr. Treadwell then discussed the fact that he was looking for additional income potential and suggested leasing the 5 or 6 extra parking spaces; he wanted to open the spaces up to possible Wildcat homeowners. Mrs. de Quesada did not want the spaces opened up to strangers. Mr. Ruhl asked about a space being available for rental owners leaving cars here; Mr. Treadwell advised that he may be able to lease a space under this plan. Mr. Treadwell asked for an estimated value of the space; he thought a spot in Aspen went for \$24,000. Mr. Treadwell thought a number similar to the lockers at \$7,500 would be a good starting point, and asked the members for a suggestion up or down. Mr. Woodson asked about spaces being resalable back to the Association; Mr. Treadwell explained. Discussion followed. Mr. Treadwell agreed with Mrs. de Quesada in preferring to sell to owners and wanted more feedback on \$7,500. Mr. Anderson and Mrs. de Quesada had no problem. Mr. Adams had trouble with giving up spaces; he thought it was premature to release the spaces as they are needed for employees, guests of owners and renters. Mr. de Quesada thought it wasn't worth it. Mr. Treadwell suggested that if he got a request from an owner he would take it under advisement. Mr. Adams advised that perhaps the SkiCo. easement to the right of the entry might become available after the lift is removed; we might get approval for parking. Mr. Treadwell suggested that to raise money for that we might sell/lease the other spaces.

Mr. Treadwell then asked about current CD rates; they are not good, and he wants better returns. Mr. Adams advised the current financial status: we are only in the first two months of the year, and there is not much information yet; however, we are preliminarily \$35,000 under budget; expenses are also slightly under.

## VI. OLD BUSINESS

### A. Employee Unit/Meeting Room Situation

Mr. Treadwell reviewed the situation. In order to reduce the negative cash flow in the employee units, the Board had decided to redo the conference room to a smaller size and create a one-bedroom unit. The owner of #25 agreed to lease the space on a 99-year basis, which would have put \$150,000 into the Association reserves; it paid the costs of renovation. The problem which had developed was that the potential owner had tried to get title insurance; and the company said it wouldn't insure the lease. Mr. Adams commented that the lease should work without the title insurance. Mr. Treadwell is trying to put the deal back together, and will contact another title company.

### B. Common Area Upgrading

Mr. Treadwell began by reminding the members that the property is now 9 years old. Last year's completed projects include the pool area resurfacing, landscaping, and awnings. Now it was time to address the lobby areas as to lighting and decor. Rod O'Connor reviewed the discussions with Mrs. de Quesada and what research had been done. He distributed the boards prepared by Designs West (decorator) and went over the costs. In summary, there are a lot of common areas and the proposal was expensive. Mr. Treadwell was concerned about the costs. The committee needed to regroup, and a budget of \$30-\$50,000 for the entire project was suggested. Discussion followed about various options to address the cost problem. Mr. Treadwell commented that the lease of the conference room space would help. Rod was asked to find out the specific costs in the Designs West proposal, and to get other bids. Mr. Adams added that \$14,000 has already been earmarked for this project. Mr. Treadwell believes a fall timetable would be appropriate to give time to address the conference space. Mr. Treadwell wanted a final price tag of \$50,000. Mr. Harris asked about lobby areas which had been added to single units. After discussion, it was agreed that those owners were responsible for their own lobbies.

## VII. NEW BUSINESS

### A. Additional Heat/Energy Audit.

This topic was discussed previously under "Old Business-Physical Property".

### B. Minutes Note - Tax Allocations and Disclosures.

It was noted that management has performed various time studies and has developed specific allocations for budgeting and tax purposes. These studies have been incorporated into the Association's current

year tax returns. The Association's membership surpluses are added to reserve funds or carried forward to the next fiscal year and membership deficits are covered by increased assessments in the next fiscal year. Reserve funds are held in separate escrow accounts.

VIII. QUESTIONS FROM THE FLOOR

There was a short discussion about the walls being removed from some units to open up the solariums and about what is required for Board approval.

Lynne Haynes mentioned that the new owners of #36 (Camners) have new "duette" window coverings for sale; they had to buy them from the previous owners and do not wish to install them. Lynne had just sent out letters to all owners about this.

Mr. Woodson had a question on the minutes regarding the employee unit used for employee infant day care; the Board had approved this temporarily and it is no longer being done.

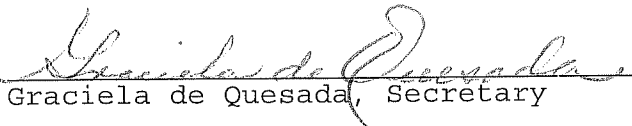
IX. DATE OF NEXT MEETING

The next Board of Managers meeting was set for the morning of September 10, 1993 at 10:00AM.

X. ADJOURNMENT

There being no further business to bring before the meeting, the same was adjourned at 5:45 PM.

Respectfully submitted:

  
Graciela de Quesada, Secretary