

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 9, 1995

The meeting was called to order in the meeting room of Chamonix Condominiums, in Snowmass Village, Colorado by Hank Anderson, President of the Association, at 3:00 PM. Non-members present were Michael Adams, Jim Treadwell, Mike George, Lee Wilson, Robyn Maxson and Evie Angevine of Snowmass Lodging Company.

Members Present	Unit #	Points
Hank Anderson	22	11
Andy Cole	31	11
Graciela de Quesada	45	12
Jim Sattler	47	10
Larry and Donna Harris	50	9
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Members Present by Proxy	Unit #	Points
Meyer	13, 23	24
Cole, Warner	17	9
Spanos	21	11
Lebovitz	25	11
Raedy	27	9
Loeffelbein	30	9
Garcia Blake	32	11
Hullender, Shurley	33	12
Luke	34	12
Brown	35	11
Stancil	40	9
Keyes	43	24
Thompson	44	12
Van Giesen	46	11
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TOTAL		228 (÷ 332 = 68%)

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

I. PROOF OF NOTICE OF MEETING

Lee Wilson presented proof of notice of the meeting.

II. APPROVAL OF MINUTES OF FEBRUARY, 1993 MEETING

The February 1994 Annual Meeting Minutes had been previously distributed and were approved as distributed.

III. Report of President/Management

A. Physical Property

Mr. Wilson reported fewer complaints regarding the heat system after the boiler temperature was increased early this year. Maintenance is continuing to monitor the temperature. Leaks in the underground parking lot are continuing to move to new locations, although leakage into the boiler room has been stopped. New gutters and modifications to existing gutters have been added to control the problem. A parking control gate was installed this winter and is working well. C building 3rd floor deck repair is underway. The wooden deck improvement will be completed this spring. Differential building settlement is continuing and being monitored at the following locations: B building south fire escape, conference room floor, A building first floor entry, parking garage along the north wall between B and C buildings, deck support columns at SE corner of AA building and NW corner of C building. Mr. Lebovitz has added gutters to the NE corner of the B building, a wall was added in the lower parking area to hide stored items, and a gas-serviced fireplace was installed in CX13 by the owner. The elevator in the AA building broke down in January. Electrolysis corrosion underground caused a hydraulic leak in a two inch pipe attached to the hydraulic piston. A local elevator repair firm has been contracted to replace the pipe, test the main piston casing, case the hole with PVC plastic pipe and return the elevator to operation. Other elevators will be evaluated for similar electrolysis problems and preventative options investigated. Anode/cathode protection is being considered. Mr. Wilson has also made an arrangement with a third party contractor to purchase gas for unit heating at a lower price than offered by the local gas utility.

B. Rental Report

Mr. Adams stated that the fiscal year ended better than expected. Booking pace is up moderately, while the average rate has experienced a small drop, mainly due to the discounts given for the elevator problems. Revenue is even with last year, which is encouraging, considering that rental inventory is down by two units and fewer airline seats are available compared to last year.

C. Financial Summary

The Association finished fiscal 1994 about \$7,700 ahead of the forecast at the summer budget meeting, primarily due to interest income and not spending as much on groundskeeping and painting & staining as expected. Assessments are up due to an increase in the front office fee (shared by all three associations) to return service levels to previous standards, a rise in replacement cost insurance, an increase in budgeted snow removal costs, and an increase in the reserve fund to cover stucco painting and repairs not previously factored into the assessment.

Enclave has approximately \$40,000 of debt for its employee unit loan at a variable interest rate (currently 10½%). Chamonix has cash invested for 120 days at an interest rate of 5.6%. Mr. Treadwell suggested that Chamonix could loan its excess funds to Enclave at a rate that would benefit both associations. These funds are not scheduled to be used within the short-term. The Enclave employee unit deed of trust and right of assessment would be used as loan security, should the Chamonix Association decide to offer financing. Mr. Cole made a motion to loan \$40,000 to the Enclave association for 5 years, amortized over 10 years, for a 9% interest rate. Chamonix will use its attorney to prepare the loan documents, and the Enclave would have to find a different attorney to avoid a conflict of interest. The Enclave would be responsible for all legal fees associated with the loan. Mr. Harris seconded. Mr. George will contact the Enclave association and extend the loan offer after the final costs for elevator repairs are decided.

Interest income exceeded forecast because of the revenue received from SLC for the \$100,000 line of credit secured by Chamonix. The credit line was exercised in May 1994 and repaid in November. SLC has an option to draw against the credit line each year for the next three years. Chamonix will receive interest income from SLC in each year that the credit line is used.

The revenue from the CX25 lease is recorded as income to the operating fund under the conference room lease heading.

At the fall budget meeting the Board asked SLC to research investment options for its surplus cash. In response, SLC purchased a \$120,000 CD with a 120 day period from Alpine Bank which will mature during the first week of May 1995. When the CD matures, SLC will reinvest a portion of the excess funds at a different bank to maintain FDIC protection, which is limited to \$100,000 per account.

The IRS recently ruled that painting and staining can no longer be included in reserve funds. To comply with the auditors request, SLC will move the related costs and assessments, previously recorded in the reserve fund, to the balance sheet as deferred revenue in fiscal 1995.

SLC transferred more cash from the operating fund to the reserve fund than was required to increase the amount available for investments. The Board approved SLC's transfer.

IV. Old Business

Due to the age and wear and tear on the property it has been decided by the Board to renovate the interior common areas of lobbies and elevators to maintain the property values and rental marketability of the property. The Board has also decided to improve the exterior landscaping. Because many of the sales take place during the summer months this will make the property more attractive and keep it competitive with other high end properties in Snowmass.

A. Grounds Improvements

Mr. Meyer requested that landscaping be extended and improved throughout the property. Mr. Wilson presented plans prepared by two landscape architects. One option was for sodding, trees, flower beds, shrubs and an upgraded sprinkler system, at a cost of about \$40,000. The second option included sodding, trees and upgrading of the sprinkler system for about \$30,000. The yearly increased maintenance costs associated with the landscaping improvements would be roughly \$4,300. Mr. Treadwell pointed out that many of the unit purchases take place in the summer, and landscaping could be beneficial to unit resale. Mr. Cole asked if seeding was an option, to which Mr. Wilson responded that it has been tried before and does not work well. Mr. Cole will review landscaping plans as they become available.

B. Lobby Redecoration

Jennifer Green from Mountain Comfort Furnishings in Basalt presented various plans for lobby redecoration. She recommends replacing the tile with carpeting and removing the planters. The bid includes a nice bench with cushions on each floor. She also presented options for replacing the exterior lighting. Mr. Treadwell asked if doing the project in phases would affect the cost, to which Jennifer responded that prices tend to increase each year. Mrs. Maxson also presented a proposal from interior decorator Joni Banks, which the Board determined was too expensive. The Board unanimously decided that redecoration of the lobbies was needed. The Board narrowed the choice to two of the four designs proposed by Jennifer Green and created a committee of two owners to oversee the project and make the final selection. Mrs. Maxson will ask Jennifer Green to prepare two more designs as alternatives to those already submitted. Mrs. de Quesada and Mrs. Anderson will oversee the project with necessary travel expenses paid by the Association.

Mr. Anderson made a motion to approve spending up to \$130,000 for landscaping improvements and lobby upgrades. The special assessment needed to create a fund for these projects will be reduced by amounts already earmarked for redecorating the lobby in the reserve fund. Mrs. de Quesada seconded, and the motion was passed. The ownership will be assessed for these projects over a three year term. If excess income become available through the operating fund, the special assessment in the third year will be reduced accordingly.

V. New Business

A. Unit 25 and 21 remodel balloting

Ownership will be balloted for approval or disapproval of sale of common space to units 25 and 21. Balloting is required by the Town of Snowmass. The Town insists that the Association attempt to sell the added space to the unit owners, rather than use a long term lease. Should ownership not approve the sale, the space will continue to be leased to

provide additional revenue to the association. If sale of the space is approved, the cash received could be used to reduce the special assessment needed for lobby redecoration and landscaping upgrades.

B. Satellite dishes

Two owners have made requests to install small satellite dishes. Mr. Wilson reported that the new dishes can often serve up to 16 TV's per dish. At this time the Town of Snowmass does has a lengthy permit process for satellite dishes for individual home owners, but Mr. Wilson feels that if the Association applies for approval, the Town would be more likely to grant it. Mr. Sattler made a motion that this subject be tabled until the fall budget meeting, at which time Mr. Wilson can present all available options. Mr. Cole seconded.

C. Minutes note - tax allocations and disclosures

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.

D. Motion to ratify acts of the Board of Directors for the past year

Mr. Anderson made a motion to ratify the acts of the Board for the past year. The motion was duly seconded and approved.

VI. Date of Fall Budget Meeting

The date of the fall budget meeting was set at August 26, 1995 at 10:00 AM.

VII. Adjournment

The meeting was adjourned at 5:10 PM.

Respectfully submitted,


Graciela de Quesada, Secretary