

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 9, 1996

I. CALL TO ORDER, ROLL CALL AND PROXY CERTIFICATION

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 4:05 P.M.. Nonmembers present were Michael Adams, Jim Treadwell, Mike George, Lee Wilson, and Evie Angevine of Snowmass Lodging Company.

Members Present	Unit #	Points
Hank Anderson	22	11
Anita Cole	17	8
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Members Present by Proxy	Unit #	Points
Meyer	13	12
Anthony	20	10
Lebovitz	25	11
Walker	26	18
Loeffelbein	30	9
Andy Cole	31	11
Garcia Blake	32	11
Luke	34	12
Brown	35	11
Bragg	41	12
Thompson	44	12
de Quesada	45	12
Van Giesen	46	11
Harris	50	9

TOTAL (181 ÷ 332 = 54%)

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

II. PROOF OF NOTICE OF MEETING

Evie Angevine presented proof of notice of the meeting.

III. APPROVAL OF MINUTES OF FEBRUARY 1995 MEETING

The February 1995 Annual Meeting Minutes had been previously distributed and were approved as distributed.

IV. Report of President/Management

A. Physical Property

Mr. Wilson reported the elevator repair was completed in November. A new hole was drilled and cased with PVC pipe, in which the new telescoping jack was installed. The new installation should eliminate the electrolysis corrosion problem which caused the jack failure, and the new, straight hole has eliminated the rough operation between fourth and fifth floors. Although there is no way to check the condition of the other three elevator pistons other than by pulling them out of the ground, Dover will monitor them for evidence of corrosion. These three elevators have single piston jacks with a special anti-corrosive wrap, so problems similar to those experienced in the AA building are not anticipated. All elevators are inspected once each month, and one pressure test per year is performed. No modifications are anticipated until problems are observed. The final cost for the repair and replacement of the elevator in the AA building was \$95,000, currently loaned from the reserve fund. Replenishment of the reserve fund is delayed in anticipation of the sale of common area space to the Lebovitz family.

None of the areas monitored for building settlement have shown any measurable change in the last six months. Rain gutters were installed over units' 13 and 22 decks this fall. This year the boiler temperature was increased earlier in the heating season, and management has received very few complaints regarding lack of heat. The present deck coating at B building fourth and C building third floors appears to be waterproof, but it is slippery and the color does not match the buildings well. Individual owners have suggested that the color should be changed and that other treatments be considered. Suggestions include epoxy rock (similar to the pool deck material), indoor/outdoor carpet, and large entry mats. Mrs. Cole mentioned that she has seen small rubber discs on indoor/outdoor entry areas in airports that should be considered for these areas. Mr. Wilson will look into this option.

The lobby redecoration is complete as planned, with new carpet, wall paint, accent tables, chairs, mirrors and light sconces. In addition, the gray metal doors, and heat baseboards have been painted to match the new wall color. Accent items on the tables, additional art work, entry mats, more furniture pieces, plants, and new exterior lights have been suggested as considerations for ongoing lobby improvements. It was noted that any addition of personal items to lobbies are subject to Board approval. Costs for this project through December 1995 exceed the budget of \$130,000 by \$5,113. However, by transferring the amount already escrowed in the Reserve Fund for lobby renovations, \$24,152, into the Operating Fund in the last fiscal year, the Association avoided the need to increase the assessment in the third year. Using this rationale, the Association has \$19,039 available for any remaining costs pertaining to lobby renovations and grounds improvements.

B. Rental Report

Revenue generation and owner returns through the rental program were analyzed for the years of December 1993 through November 1994, and December 1994 through November 1995. Average revenue per unit increased by \$2,992 to \$44,834 on 2% higher average rate and 4% average occupancy growth, combined with an average decline in owner usage of 10 nights per unit. Owner statement returns, after deducting owner folio balances, increased from 43.9% to 44.59% on

average.

Mr. George noted that Snowmass Lodging Company has been able to increase rental rates, especially during holiday seasons, when market demand is especially strong. Snowmass Lodging Company continues to try to increase the number of rental condominiums and revenue by offering the special rental contract, offering to lock off bedrooms and store personal belongings for non-rental units who wish to rent, and using re-booking inserts to encourage guests to book directly through us rather than using travel agents, who charge high commissions. Travel agent commissions have been increasing in recent years because international travelers usually book through travel agent wholesalers to whom a commission of 15-20% must be paid. Snowmass Lodging Company also advertises on the Internet, and although the response has been limited so far, it is expected to increase over time. Mr. George added that as units sell, we have had some success in getting new owners to join the rental program. The number of rental units managed by Snowmass Lodging Company has remained relatively stable over the last two years, and management projects a small increase in overall rental unit inventory next year.

In the current rental year, Snowmass Lodging Company lost about \$80,000 of revenue because of limited snow cover during November and early December. However, we have steadily made up ground throughout the balance of the winter, and our booking pace through April 1996 is currently ahead of last year by about 3%. We expect to end the season with modest revenue growth over the prior year.

C. Financial Summary

After two periods, the Association is ahead of the plan by \$18,400. Revenue is up \$2,754 for full employee unit occupancy, higher interest income, and the Lebovitz conference room lease. Revenue for the Lebovitz lease was not budgeted, as we hope to have the legal documents pertaining to the sale executed sometime this year. G&A costs are down \$648 YTD, with the only variance of note the expense of \$525 from Lines in Space for filing the Plat amendment.

Utility costs are down \$3,000 YTD, primarily for savings in Gas. Mr. Wilson reported that, if a four-year contract is signed with the current gas supplier, higher savings will be possible. The Board approved extending the natural gas supply agreement.

Repairs & Maintenance expenses are down \$11,558 YTD, although we are still very early in the fiscal year. Snow Removal is down \$2,818 for the late start of winter storms, and Pool costs are down \$1,334 because of the timing of supply purchases. R&M (SLC) and R&M Contractors are down a combined \$5,767 on fewer common area costs this season, as compared to last winter and the budget. Although we budgeted \$800 for some early winter heat tape work on the roof, it has not yet been necessary.

The audit for the prior year is completed. The Association ended the last fiscal year about \$10,200 ahead of projections at the budget meeting, with savings primarily in Directors Expenses, Interest, Gas, and Painting costs. We posted \$24,152 as a credit to the contingency line item on the

direction of Reese Henry to account for the Reserve Fund transfer to the Operating Fund, as related to the Lobby renovation and at the direction of the Board during the last budget meeting. The Association had reserved these funds to pay for limited lobby painting work in prior years, and that work was performed during the last fiscal year renovation.

We had one reportable condition discovered by Reese Henry during the audit. As cash assets for the Association have exceeded the FDIC insurable limit of \$100,000 per institution, the auditors have advised us to transfer some cash assets to another bank. We did not invest any cash assets for the Association last year, as we did not know how much the elevator repairs and replacement would cost, or when those costs would come due. We will transfer funds to an Aspen bank during the current year to stay under the institutional FDIC insurance limit in the current fiscal year.

V. Election of Managers

Mr. Anderson mentioned that there had been discussion lately of reducing the size of the Board to three members. The By-Laws state that there should be no more than seven and no less than three Board members, each serving three year terms. Mrs. Cole recommended that the number of members remain at five. Mr. Anderson nominated Mr. Cole, whose term expires today, and Dr. Bramlet, the new owner of CX47, to fill the seat vacated by Mr. Sattler. Mrs. Cole seconded, and the new Board members were duly elected.

VI. Old Business

A. Meeting room update

In order to complete the sale of the remodeled conference space to the owner of condominium 25, the lawyer and title company have identified the need for all owners and mortgage holders to sign a quit claim deed to transfer the commonly owned space to a single owner. The process is underway to mail these quit claim deeds to all owners. When all have signed the deeds, the sale of the converted space can proceed. Until then, lease payments will continue as outlined in the agreement between the Association and the owner of condominium 25. The sale of common element space to the owner of condominium 21 is on hold as a result of the anticipated lengthy process of obtaining 100% of owner signatures.

B. Grounds Improvements

The sprinkler system and sod installation were completed last summer. Judy Byrns, the contractor, has provided copies of the plans for this summer for our review. The size and number of trees have been reduced compared to the original design. The tree sizes can be returned to original plan for approximately \$2,500, the amount of funds which were used in necessary rock work in the beds below the eaves. More or larger trees, or additional improvements for the lobbies may be accommodated by savings in the operating budget rather than any changes in the assessments. Mrs. Cole made a motion to proceed with the landscaping plan as presented by Judy Byrns. Mr. Anderson seconded.

There has been a request to remove or trim a couple of existing aspen trees because they alter the view from upper story windows. Alteration of the trees will result in changes to the exterior feel of the property, and is therefore an Association decision. Mrs. Cole suggested going into the unit whose views are being affected to see exactly which limbs are involved. Mr. Anderson said he would be willing to consider trimming, as long as the tree continues to have an attractive shape. He suggested that the Board wait until the next meeting, to be held in August or September, when the tree has leafed out, to make any decision. Mr. Wilson has asked the landscaper to be careful in placement of future trees in an attempt to avoid similar problems. Mr. George will check the By-Laws for any rules or regulations pertaining to preservation of view planes.

C. Satellite dishes

Satellite TV dish service has been investigated. A dish location below a deck on the east side of the property has been approved by the Board. Mr. Wilson has applied to the town for approval of the dish installation. Only three or four owners are interested in the service at the present costs; other options are being pursued. Installation of service to approximately three condominiums is scheduled for this spring. A minimum of one dish is required for each building with existing technology.

VII. New Business

A. Brush Creek and Burlingame development

The Snowmass Development Company, LLC, a joint venture between The Snowmass Land Company and The Aspen Skiing Company has submitted an amended plan for development of the bottom of Fannie Hill, Assay Hill and a significant portion of the ski area. The town Council has, so far, rejected the plan. The major components that appear to affect Chamonix are the alignment of a major access lift between Chamonix and The Enclave, the location of a "Kids Camp," year-round ski school and activity center on lower Assay Hill, and increased Wood Road traffic as a result of numerous homes and condominiums constructed along Wood Road.

B. 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.

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

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

VIII. Date of Fall Budget Meeting

The date of the fall budget meeting was set for some time in late August or early September. Management will contact Board members during the summer to set a definitive date and time.

IX. Date of 1997 Annual meeting

There have been requests from owners to schedule the annual meeting farther in advance, so owners can reserve their rental use around the dates. It was decided that the Annual meeting will be held on the second Friday of February until further notice.

X. Adjournment

The meeting was adjourned at 5:25 P.M..

Respectfully submitted,


Graciela de Quesada, Secretary