

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 14, 1997

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 of the Association, at 4:20 P.M.. Nonmembers present were Jim Treadwell, Mike George, Lee Wilson, and Evie Angevine of Snowmass Lodging Company.

Members Present	Unit #	Points
Hank Anderson	22	11
Andy Cole	31	11
Graciela de Quesada	45	12
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Members Present by Proxy	Unit #	Points
Cole/Warner	17	9
Anthony	20	10
Spanos	21	11
Maroone	23	12
Lebovitz	25	11
Loeffelbein	30	9
Hullender	33	12
Luke	34	12
Brown	35	11
Stancil	40	9
Bragg	41	12
Thompson	44	12
Van Giesen	46	11
Bramlett	47	10
Harris	50	9

TOTAL (194 ÷ 332 = 58%)

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 1996 MEETING

The February 1996 Annual Meeting Minutes had been previously distributed. Mr. Anderson made a motion to waive the reading of the minutes and approve them as presented. Mr. Cole seconded, and the minutes were approved as distributed.

IV. Report of President/Management

A. Physical Property

The following projects have been completed in the last year: the hot tub was tiled, B and C buildings entries were resurfaced, including new drains (additional surface treatment will be completed this spring), heat tape was installed to prevent a C building roof leak, the concrete drives were sealed, the concrete wall along the north side of the parking structure was painted to match the stucco color, emergency lights were added to the underground parking area, dryer ducts were cleaned, and a french drain was installed between B and C buildings. Occasional pinhole leaks continue to appear in the hot water pipes. There appears to be no measurable increase in differential building settlement at any of the monitored locations. There has been some problem reported with water temperature fluctuations in showers. Outgoing water temperature has been reduced at the boiler room and "balancing" style, single-handle shower controls are recommended whenever valves are replaced. The elevators are working normally; however, the new plastic casing is showing connection to the ground water. A dielectric fluid can be used to insulate the new jack from electrolysis. Methods for deterring swallow nesting in the eaves are under investigation, with samples of netting and plastic corners mounted on the building for owner review. Upon investigation of other properties use of the netting, Mr. Wilson discovered that the swallows continued to nest in the eaves, using the netting as an area to build nests. The Board decided that neither option was feasible, and that they would continue to treat the swallow situation in the same way as in past years (deter them when able, wash windows seasonally to remove droppings).

B. Rental Report

Revenue generation and owner returns through the rental program were analyzed for December 1995 through November 1996. Average Chamonix revenue per unit increased to \$44,923 on 10% higher average rate and a decline of 7% in average occupancy, primarily caused by higher average owner usage and light, early-winter snowfalls. Owner statement returns, after deducting owner folio balances, increased from 44.59% to 45.82% on average for all properties, and 48.4% for Chamonix properties.

Mr. George noted that Snowmass Lodging Company (SLC) has been able to increase rental rates, especially during holiday seasons, when market demand is especially strong. Although the properties we manage are generally rented at a premium to the overall market, competitors followed our lead last year and have increased average

rates throughout the market. Rental demand has improved from last year because of good, early-season snowfall and possibly as a result of the SRA marketing campaign focused on differentiating Snowmass Village from the other Ski Company properties. SLC 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. 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. SLC Internet advertising has generated new referrals and leads, and we expect it to grow as a source of business. In the near future, we may be able to e-mail owners their association and rental property statements, as opposed to mailing hard copies. 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 three years, growing from 72 to 77 rental properties. We have investigated the possibility of packaging air and lodging together as a marketing tool in follow up to discussion at the budget meeting. Because of air rate variability and the risk associated with pre-purchasing contract air blocks at fixed rates, we have yet to devise a method to package these two services together. We are hesitant to accept the risks of block air purchases because of rental inventory limitations and our inability to resell or cancel out of the blocks. We will continue to work with air suppliers to try to devise a packaging function, perhaps in a limited, test format for next winter season.

We expect to increase company-wide winter 1996-7 rental revenues by approximately 6% on higher average rates, increased inventory, and increased early-season demand.

The press has reported lately on disagreements regarding SRA assessment collection and allocation. Some local business owners feel that the SRA-generated business is unfairly distributed. Mr. George feels that, for Snowmass Village, a cooperative sales effort through the SRA yields better results than efforts solely from individual properties. We will monitor this developing situation and periodically update owners on the status of the debate. Snowmass Lodging Company continues its efforts to have travel agents visit our properties so they can see how accessible our location is to the Conference Center and increase our portion of conference business.

C. Financial Summary

After two periods the Association is ahead of the plan by \$9,464. Revenue is up \$2,096 for full employee unit occupancy and the Lebovitz conference room lease, partially offset by lower interest earnings. Revenue for the Lebovitz lease was not budgeted, as we hope to have the last owner holdout execute a quit claim deed sometime this year. G&A costs are down \$775 YTD, primarily for budgeted legal costs that have not been needed.

Utility costs are down \$4,705 YTD, primarily from savings in Electricity costs. The Association received a \$3,493 windfall in dividends issued by the Holy Cross Electric Association. As members of the Electric Association, Chamonix receives dividends when the Board of Directors votes distributions for its members.

Repairs & Maintenance expenses are down \$1,520 YTD, although we are still very early in the fiscal year. Pool costs are down \$512 because of the timing of supply purchases. Expenses in other line items are generally in line with the plan.

The audit for the prior year is completed. The Association ended the last fiscal year \$20,462 ahead of the budget, primarily from unbudgeted Conference Room Lease revenues, lower Gas costs from the new supplier contract, lower Director's Expenses, and reductions in Depreciation, Taxes, and Telephone Equipment Costs. There is also a \$6,000 savings for funds that were allocated for the bird netting project, which is no longer a consideration.

We had two reportable conditions noted by Reese Henry during the audit. Reese Henry has requested that we transfer the line balance for Painting and Staining from the Reserve Fund to a separate account in the Balance Sheet. Accordingly, we moved \$24,178 from the Reserve Fund (account #2860) to a new line item, Deferred Paint Reserve (Account #2110) in November 1996. The second notation resulted from our transfer of funds from Alpine Bank to Norwest and Pitkin County banks in an effort to stay under the \$100,000 FDIC insurance limitations. When we opened those accounts/CDs, we inadvertently set them up as single- rather than dual-signature accounts. We have corrected the error in February 1997.

V. Election of Managers

The Board terms are expiring for Hank Anderson, Anita Cole and Grace de Quesada. Each has indicated a willingness to serve another term. No other owners have expressed an interest in serving on the Board at this time. Hank Anderson asked for nominations from the floor. Mr. Cole motioned for election of the slate of candidates, Mr. Anderson seconded. The Board members were elected for another term.

VI. Old Business

A. Meeting room update

One owner has refused to sign the Quit Claim Deed related to ownership transfer for the space added to condominium 25. Without the signed Deed, the lump sum payment will not be available to offset the elevator repairs expended last year and additional assessments will be necessary to fund the elevator repairs. Mr. Anderson will speak with the owner in an attempt to reach an agreement.

The owner of condominium 25 is also interested in purchasing the present conference

room space. At this time a suitable alternative for meeting space has not been identified on the property. Discussions between the owner and Board of Managers are continuing.

B. Grounds Improvements/Tree Update

Mr. George reported that he had reviewed the By-Laws for any rules or regulations pertaining to preservation of view planes and could find no such restrictions. Two owners at the Crestwood Condominiums have asked that some of the trees planted last spring be relocated because the trees impact views from their condominiums. The Board tabled the subject until more Chamonix owners are available to discuss the issue and reach a consensus.

C. Satellite dishes

An owner has asked to install a small TV dish on his balcony. He presently has satellite TV service from a dish mounted in the location designated by the Board. After discussion the Board decided to continue the existing policy of limiting the location of satellite dishes. Snowmass Lodging Company will attempt to keep the existing dishes clear of snow for improved reception.

D. Brush Creek and Burlingame development

Mr. George reported that Woodrun Place was actively pursuing litigation to counter any proposals to build properties between Woodrun Place and Fanny Hill. Although there have recently been two articles describing the litigation in the local papers, the judge has yet to make any rulings regarding the motions placed by the involved parties; the Ski Company, the Snowmass Land Company, and the Woodrun Place Association. It was noted that the location of the Children's Activity Center on Assay Hill would be a benefit to all properties along Wood Road.

VII. New Business

A. An owner has asked for an update regarding additional decorations in the lobbies.

Mrs. de Quesada and Mrs. Anderson will meet to discuss completion of the lobby redecoration project, including adding supplemental accessories and artwork.

B. Insurance Appraisal

The Declaration requires an annual appraisal to determine the insurable value of the property. The appraisal process is in progress. Many condominiums will be reviewed

because interior improvements are now covered by the Association insurance policy. Owners may be able to reduce their individual policy coverage/cost because of the change in the Association policy. Please have your insurance agent contact John Wilkinson of the Aspen Agency (970) 925-7285 for further information. Our agent has been unable to locate an insurance carrier that will issue a single policy covering all the Associations managed by Snowmass Lodging Company.

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 by Mr. Cole and unanimously approved.

VIII. Date of Fall Budget Meeting

The date of the fall budget meeting was set for August 22 or 29, or possibly early September. Mr. Wilson will poll the remaining Board members before a date is set.

IX. Adjournment

The meeting was adjourned at 5:15 PM.

Respectfully submitted,


Graciela de Quesada, Secretary