

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 9, 1999

1. 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 Andy Cole, President of the Association, at 4:10 P.M.. Nonmembers present were Jim Treadwell, Mike George and Lee Wilson of Snowmass Lodging Company.

Members Present	Unit #	% Common Ownership
Andy Cole	31	3.11
Employee Units	E- 1,2,3	6.66
Graciela de Quesada	45	3.33
Kay and Dave Walker	26	5.60
Anita Cole (by telephone)	17	2.63

Members Present by Proxy	Unit #	% Common Ownership
Anthony	20	2.82
Spanos	21	3.11
Applebaum	23	6.52
Lebovitz	25	6.06
	15	3.11
Hullender	33	3.41
Luke	34	
Brenda and Dick Brown	35	3.11
Stancil	40	2.63
Bragg	41	3.33
Thompson	44	3.41
Van Giesen	46	3.11

TOTAL 70.0 %

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

2. PROOF OF NOTICE OF MEETING

Lee Wilson presented proof of notice of the meeting.

3. APPROVAL OF MINUTES OF FEBRUARY 1998 MEETING

The February 1998 Annual Meeting Minutes were reviewed. Andy Cole made a motion to waive the reading of the minutes and approve them as presented. Grace de Quesada seconded, and the minutes were approved as distributed.

4. ELECTION OF MANAGERS

Mr. Cole's Board term is expiring. He has indicated a willingness to serve another term. Anita Cole nominated Mr. Cole. Grace De Quesada seconded, and Mr. Cole was reelected.

5. REPORT OF PRESIDENT/MANAGEMENT

Mr. Wilson advised the attendees that a Board meeting had preceded the annual meeting and summarized the Board motions. In particular, the Board increased the building insurance value to reflect a \$250 per square foot replacement cost. In some instances condominiums with custom interiors may have per square foot replacement costs above the \$250 value. The Board recommends that any owner who has made improvements to a condominium appraise the possible replacement costs and purchase additional insurance coverage, as may be necessary.

1. Physical Property

Because of a small increase in the separation of some of the monitored cracks in B Building, management consulted both soils and structural engineers during the summer and fall of 1998. Management, with Board approval, planned to stabilize the material under the southeast corner of B building. However, access and scheduling problems prevented the stabilization in the fall. The Board has instructed management to try to obtain bids that include a warranty clause for presentation to the Board. Management anticipates receiving bids this winter, and we expect the project to occur this spring. The structural engineer will review the integrity of the building after the stabilization to decide if any structural repairs are subsequently required.

Condominium remodels were completed in A and B Buildings this fall. A plan for the redecoration of the A building elevator car, proposed by an A Building resident, is being circulated for resident and Board approval. The work is anticipated in the spring project season.

The interior and most of the exterior parking garage walls were painted this fall. Resurfacing of individual decks continues, as approximately seven remain to be resurfaced next spring.

2. Rental Report

Management analyzed revenue generation and owner returns through the rental program December 1997 through November 1998. Average Chamonix revenue per unit improved to \$59,637 (\$52,294 during the prior year) on an increase of 1% in average occupancy. Owner statement annual returns, after deducting owner folio balances, were 47.18% on average for Chamonix properties, versus 46.33 % for all properties in the rental program.

Mr. George reported that rental operations for 1997-8 were the best in company history, with increases in all statistical categories. Higher-rated units with low owner usage continue to financially exceed the performance of units with low ratings or high owner usage, particularly for owners who schedule their visits around high commercial demand weeks.

The reservation booking pace for winter 1998-9 is down about 4.6% from the same week for last year through February 8, 1999. Management sent a letter to all owners in mid-December advising that it is now accepting shorter stay lengths, offering higher booking commissions, and reducing prices to shore up weak demand, particularly in the regular season of February and March. Poor early season snow conditions, reduced flights at higher prices, and the sharp stock market decline earlier this booking season have all had negative impacts upon rental demand. Management has contacted all of its major business sources to advise them of its policy changes in the short term.

Chamonix has out-performed the rest of the rental program during winter 98-99, and we project flat revenue per unit on increased average rate and lower occupancy.

Management also advised the members that Millennium week demand is expected to be unusually strong and to plan accordingly. As it may be difficult to secure flights during this week, management strongly encourages owners to return their rental use calendars as soon as possible. If owners are planning to visit Chamonix during that week, management advises them to make their flight arrangements as soon as possible.

Financial Summary

After two periods the Association is essentially on budget, with line item variances offsetting.

Utility costs are down \$1,738 YTD, primarily from savings in gas costs and delayed billing for trash collection

Repairs & Maintenance expenses are higher than anticipated by \$1,605 (4.4%), primarily for moderate increases in snow removal and general maintenance expenses.

The audit for the prior year is completed. The Association ended the last fiscal year \$319 ahead of the operating budget, as line item variances were offsetting.

The Reserve fund had a balance of \$427,498 at year end.

6. Old Business

7. New Business

1. 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.

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

Mr. Andy Cole made a motion to ratify the acts of the Board for the past year. The motion was seconded by Grace De Quesada and unanimously approved.

8. Questions from the floor

1. Mr. Walker noted that soundproofing improvements, whenever an owner is contemplating a flooring replacement, may be a good idea. Mr. Cole noted that the Board has authorized management to hire an acoustic engineer to develop specifications appropriate for Chamonix.

Mrs. Walker asked about possible additions to the snow melt systems. Mr. Wilson advised of the areas where snow melt systems are in place, and that the most cost-effective time to consider improvements to the snow melt system is when surface replacements to exterior grounds are scheduled.

9. Adjournment

Mr. Cole made a motion to adjourn. Mrs. de Quesada seconded, and the motion was passed. The meeting was adjourned at 4:30 P.M.

Respectfully submitted,

Graciela de Quesada, Secretary

