

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 8, 2000

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 4:00 P.M. Nonmembers Jim Treadwell, Mike George, and Lee Wilson of Snowmass Lodging Company were also present.

Members Present	Unit #	% Common Ownership
Andy Cole	31	3.09
Employee Units	E- 1,2,3	6.62
Graciela de Quesada	45	3.30
Anita Cole (by telephone)	17	2.61

Members Present by Proxy	Unit #	% Common Ownership
Schumacher	13	3.38
Applebaum	23	6.47
Lebovitz	25	9.11
Walker	26	5.56
Hullender/Shurley	33	3.38
Luke	34	3.38
Hartman	40	2.61
Brag	41	3.30
Van Giesen	46	3.09
Ringel	50	2.61

TOTAL 58.5 %

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 13, 1999, MEETING

The February 13, 1999, Annual Meeting Minutes were reviewed. Anita Cole made a motion to waive the reading of the minutes and approve them as presented. Andy Cole

seconded, and the minutes were approved as distributed.

4. ELECTION OF MANAGERS

Both Anita Cole's and Grace de Quesada's Board terms are expiring. Andy Cole's term will expire in 2002. This year, one member should be elected for a one-year term, so that only one member's term will expire each year henceforth, per the Association Bylaws. Board terms normally last three years. Both Grace de Quesada and Anita Cole have indicated a willingness to serve additional terms. The ballot count resulted in Grace de Quesada being elected to a three-year term, and Anita Cole being elected to a one-year term. Thank you to all candidates for your willingness to serve on the Association Board.

5. REPORT OF PRESIDENT/MANAGEMENT

1. Physical Property

B building settling problems have been corrected by supporting the foundation around the south fire escape with steel piers driven into the ground and replacement of the surrounding drainage and concrete walks. The third floor entry inside B building and exterior stucco were also resurfaced. The third and fourth floor B building entry doors will be replaced. Exterior lobby door weather stripping was replaced. Elevator sign boxes were replaced and elevator doors painted. New exterior light fixtures were installed. Pool and other exterior signs were replaced, and new building numbers are on order. A new garage style door is on order for the trash collection garage in the upper courtyard.

This fall, the management company took advantage of an opportunity to add a Direct Inward Dialing function to our phone system. The new function allows people calling from a phone outside the property to dial directly to any extension as if each extension were a private line. Each Chamonix condominium can be reached by dialing 922-XXXX (XXXX = your extension, i.e. 2015 for unit 15). We are in area code (970). The messaging system associated with your extension also works with the new 922 – dialing. All administrative extensions were changed as a result of the new system. The new administrative extensions all begin with 49XX, and can be dialed directly using 922- from outside the property. Continue to dial only the extension numbers when calling within the property. A list of new administration extensions is attached to these minutes.

2. Rental Report

Management analyzed revenue generation and owner returns through the rental program December 1998 through November 1999. Average Chamonix revenue per unit improved to \$62,135 (\$59,637 during the prior year) on a decrease of 6% in average rental occupancy. Owner statement annual returns, after deducting owner folio balances, were 47.24% on average for Chamonix properties, versus 47.19 % for all properties in the rental program.

Status of Rental Program and Operations - Mr. George reported that rental operations company-wide for 1998-9 were down about 4%, versus 10% for Snowmass Village, as reported by the SVRA. 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 1999-2000 is down about 2% from the same week for last year. Management has advised owners that it is again accepting shorter stay lengths, offering higher booking commissions, and reducing prices to shore up weak demand. Poor early season snow conditions and the unexpected decline of Millennium celebration bookings have 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. While we expect to achieve some modest rate growth, management projects flat to modestly declining occupancy of between 1-3% for the winter season, compared to last year. Although this news is disappointing, according to the SVRA, we are fairing better than the overall Snowmass Village market, and SLC remains financially sound.

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

Financial Summary

After two periods the Association's expenses are essentially on budget.

Utility costs are down \$1,231 YTD, with savings in gas and electric costs.

Repairs & Maintenance expenses are higher than anticipated by \$1,816 (4%), primarily for general maintenance expenses to repair leaks in the hot water lines and garage fire sprinkler lines.

The audit for the prior year will be completed before the end of February 2000. Preliminary reports from the association auditor indicate that we should have no external adjustments to the books.

The Reserve fund (for replacement of capital items) had a balance of \$383,341 at year-end.

6. Old Business

At last year's annual meeting it was suggested that remodel specifications be established to reduce sound transmission between condominiums. Recognizing that soundproofing technology is continually improving, the Board adopted a policy whereby a condominium owner who is replacing floor coverings will be required to have an acoustic engineer recommend appropriate installation and material specifications. The Board agreed to review these requests on a case-by-case basis.

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

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

3. Exterior Sconce Lights

Mr. Wilson advised the attendees that the new exterior sconces have been installed. Comments pertaining to them have been favorable. Mr. Wilson explained that we have had problems with bulbs burning out too quickly, and the manufacturer has supplied replacement lights at no cost to the Association.

8. Questions from the floor

None.

9. Adjournment

Anita Cole made a motion to adjourn. Mr. Andy Cole seconded, and the motion was passed. The meeting was adjourned at 4:15 P.M.

Respectfully submitted,

Graciela de Quesada, Secretary