

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 13, 2001

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.

<u>Members Present</u>	<u>Unit #</u>	<u>% Common Ownership</u>
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
David Walker	26	5.56

<u>Members Present by Proxy</u>	<u>Unit #</u>	<u>% Common Ownership</u>
Spanos	21	3.76
Lebovitz	25	9.11
Loeffelbein	30	2.61
Hullender	33	3.38
Luke	34	3.38
Hastings	36	4.64
Hartman	40	2.61
Thompson	44	3.38
Van Giesen	46	3.09
Rosenbaum	47	2.80

TOTAL 59.94%

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 8, 2000, MEETING

The February 8, 2000, Annual Meeting Minutes were reviewed. Mr. Walker made a motion to waive the reading of the minutes and approve them as presented. Mrs. de Quesada seconded, and the minutes were approved as distributed.

4. REPORT OF PRESIDENT/MANAGEMENT

1. Physical Property

Since February 2000 the following projects/major repairs have been completed at Chamonix: New exterior light fixtures were installed; a new, roll-style, powered door was installed on the trash collection area; artwork and accessories were replaced in lobbies throughout the property; accessories were added in the office lobby, conference room and ski locker room bathrooms; a wall was constructed to separate the AA Building 1st floor lobby from the laundry work area; B and C Building exterior entries were resurfaced, and carpet strips added to control slippery conditions; interior, varnished lobby doors were refinished; lobby walls were repainted as needed; the concrete garage wall was painted; lobby carpets were stretched, seams realigned and glued; broken panes in beveled entry doors were replaced; B Building exterior entry doors were replaced; the entry drive gutter was replaced; office lobby mats were trimmed and rebound; heat boiler controls were adjusted and additional safety controls added; the domestic hot water boiler pump was replaced; the spa circulator pump was replaced, the fire alarm panel was repaired following lightning damage; a pinhole leak was repaired in the boiler room; selected fire sprinkler lines were replaced because of pinhole corrosion leaks; roof ridge caps were replaced as needed; approximately one-half dozen windows were replaced because of broken inter-pane seals; dryer ducts were inspected and cleaned; chimneys were inspected and cleaned. Mr. Walker commented that the ceiling area going into the parking garage in building C needs some attention. Lee will follow up on completion of the repair. Mr. Walker noted that the cleanliness of the trash room has improved and that the artwork and lighting additions to the property are very nice. Mr. Walker asked if recycling was required in this state. Lee said that it was not.

2. Rental Report

Management analyzed revenue generation and owner returns through the rental program December 1999 through November 2000. Average Chamonix revenue per unit declined from \$62,135 to \$61,077 on a decrease of 5% in average rental occupancy and an increase of \$16.21 per night in average rate. Owner statement annual returns, after deducting owner folio balances, were 47.15% on average for Chamonix properties this year, versus 47.24% last year.

Status of Rental Program and Operations - Mr. George reported that rental operations

company-wide for 1999-2000 were up about 1% from the prior year. As the SVRA is in a state of transition numbers for the Village are deemed to be unreliable at this time.

Status of Rental Program and Operations - Mr. George reported that winter rental revenue for 2000-2001 is on pace to be down from that of 1999-2000 by about 1% across all units in the rental program. 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.

Management has advised owners that it is again accepting shorter stay lengths, offering higher booking commissions, and reducing prices to shore up weak demand, particularly for December and throughout early January. As our local competition has reduced prices during the last week of March from regular season levels, we have been forced to follow suit. Although early season snow conditions are the best in recent years, any increase in early season demand will likely not occur until either next year or the following year. Other factors that have weakened demand are the decline in equity markets, the upheaval and management changes at the SVRA, and the unfavorable Canadian currency exchange rates that are causing winter vacationers to visit the Canadian Rockies in greater numbers. While we expect to achieve some modest rate growth in targeted larger units, management projects flat to modestly declining overall occupancy and revenue 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.

Financial Summary

After the first quarter the Association's expenses are about 5% under budget.

Utility costs are down \$8,544 YTD, with savings in gas and electric costs. The gas company switched the readings between Chamonix and Woodrun Place for a number of months, which created a large credit in November. The electric savings is due to a Holy Cross Energy dividend to customers.

Repairs & Maintenance expenses are approximately on budget, with offsetting variation in some lines.

The audit for the prior year will be completed before the end of February 2001. 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 \$382,646 at year-end.

ELECTION OF MANAGERS

Anita Cole's Board terms is expiring. Andy Cole's term will expire in February 2002, and Grace de Quesada's term in 2003. Anita Cole has indicated a willingness to continue on the Board. Mr. Cole made a motion to nominate Anita Cole for another term. Mrs. de Quesada seconded, and the motion passed. Thank you to all candidates for your willingness to serve on the Association Board.

5. Old Business

6. 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. Cole made a motion to ratify the acts of the Board for the past year. The motion was seconded by Mrs. Cole, and it was unanimously approved.

3. Courtyard Renovation

Mr. Cole commented that the appearance of the courtyard in the summer does not measure up to the rest of Chamonix, as damage from winter snowplows and weather are evident. The present hot water boilers are fifteen years old and nearing their expected functional life. If the boilers were replaced with new, more efficient boilers, the system could be sized to heat the courtyard and driveway areas with possibly only minimal increase in gas costs. Landscaping considerations will also be included in the plans. The Board asked Robert Trown Associates to devise a conceptual plan of a renovated courtyard. Mr. Cole also noted that, once the plan is completed, information concerning it will be sent to the members so that they can make an informed decision.

Mr. Treadwell commented that any funding of the project should be by special assessment, and Mr. Cole noted that some costs, such as those for the boilers, are already being funded through the reserve fund, but the costs of upgrades would have to be funded via special assessment.

Mr. Walker commented that the Association should put the burden back upon the architect to confirm that any materials chosen will be appropriate.

Mr. Cole requested a telephone Board meeting monthly to update the Board on progress for the courtyard renovation proposal. Mr. Cole recommended that the first telephone meeting will be on March 15, 2001.

7. Questions from the floor

8. Adjournment

Mrs. Cole made a motion to adjourn. Mrs. de Quesada seconded, and the motion was passed. The meeting was adjourned at 4:50 P.M.

Respectfully submitted,

A handwritten signature in cursive script, reading "Graciela de Quesada".

Graciela de Quesada, Secretary