

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 3, 2004

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 Betty Lebovitz, President of the Association, at 4:06 P.M. Nonmembers Mike George and Lee Wilson of Snowmass Lodging Company were also present.

Members Present	Unit #	% Common Ownership
Graciela and Alex de Quesada	45	3.47
Betty Lebovitz (by telephone)	25&15	9.25
Employee Units	E- 1,2,3	4.91
Don Anthony	20	2.89
Dick Brown (by telephone)	35	3.18
Peter Van Giesen (by phone)	46	3.18
Fay and Joe Rosenbaum	47	2.89

Members Present by Proxy	Unit #	% Common Ownership
Rosenberg	21	3.76
Chris Lux	26	5.20
Cole	31	3.18
Hullender	33	3.47
Luke	34	3.47
Hastings	36	4.34
Hastings	37	2.60
Brag	41	3.47
	TOTAL	59.26%

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 11, 2003, MEETING

The February 11, 2003, Annual Meeting Minutes were presented. Dr. Van Giesen

made a motion to waive the reading of the minutes and approve them as presented. Mr. Anthony seconded, and the minutes were approved as distributed.

#### 4. REPORT OF PRESIDENT/MANAGEMENT

##### Physical Property

Since February 2003 the following projects and major repairs have been completed at Chamonix:

We repaired leaks in domestic hot water supply lines and fire sprinkler lines in the underground parking. The spa heat control system, port valve and pump were repaired. All dryer vents and chimneys were inspected and cleaned, as needed. An ignition control was replaced on the east domestic hot water heater, and a heat line leak was repaired. We replaced 3 double pane windows, as seal failures between panes occurred. Our fire alarm system required replacement of a number of heat and smoke detectors, and back-up batteries. We recoated the pool deck with epoxy to hold the deck pebbles, and installed new depth and warning signs. We repaired stucco and painted walls and rails around the courtyard, the back of C Building and a chimney on A Building. Entries to B and C Buildings have been painted with non-skid paint. The fascia was painted on all buildings. Accent trim was painted on all entries. Office trim was refinished, and lobby touch-up painting occurred throughout the property. Netting to deter bird nesting was installed in nesting locations. The large, downstairs manager's apartment window was replaced with a sliding glass door this fall.

##### Rental Report

Management analyzed revenue generation and owner returns through the rental program December 2002 through November 2003 compared to the same period in 2001-2002. Average Chamonix revenue per unit declined from \$56,543 to \$47,943 on a decrease of 29% in average rental occupancy and an increase of \$101.64 per night in average rate. Owner use by rental owners decreased from an average of 27 nights per unit last year to 22 nights per unit in the year under review. Management attributes the decline in revenue primarily Chamonix initially planning to be closed for commercial rentals last summer. International demand also continues to be soft after the tragedy of September 11, although it has started to improve somewhat over the prior year. The weaker economy for last fiscal year and increased sales of private residence club memberships have also had an impact upon demand.

This season reservations were strong in December and January but fall off in February and March. There is still a chance for late reservations to fill later season occupancy. Stay Aspen Snowmass, the primary local booking agency is also down 33% for March reservations.

##### Financial Summary

After the first two months, the Association's expenses are approximately on budget,

with total expenses 1% below budget.

General and Administrative items are on budget, with savings in depreciation and telephone equipment expenses offsetting unbudgeted phone call costs in the director's expense category

Utility costs are down \$462 YTD, with higher electric costs offset by lower than expected gas and TV cable costs. Last year we received a rebate from Holy Cross Electric in December, and this year we did not receive it until January.

Repairs & Maintenance expenses are 1% below budget, with savings to date in pool maintenance, firewood, painting and staining, and groundskeeping, offset by high snow removal costs. Most of these variations are expected to return closer to budgeted amounts, as the year progresses.

The audit for the prior year is in progress. The association auditor indicates we have no external adjustments to the books and no negative management letter issues at this time.

The Reserve fund (for replacement of capital items) had a balance of \$ 304,838 at fiscal year-end October 31, 2003.

## 5. ELECTION OF MANAGERS

Both Dick Brown's and Don Anthony's terms are expiring. Both have indicated they will run for three-year terms. Grace de Quesada's and Peter Van Giesen's terms expire in 2006. Betty Lebovitz's term will expire in 2005. Ms. Lebovitz asked for nominations from the floor. Hearing none, she closed the nominations. Dr. Van Giesen made a motion to elect Don Anthony and Dick Brown for three-year terms on the Board. Mrs. de Quesada seconded, and the motion passed. Thank you to all candidates for your willingness to serve on the Association Board.

## 6. UNFINISHED BUSINESS

### Courtyard Renovation

As a result of the submission of only one courtyard renovation bid (after the deadline) last summer, the Board elected to postpone the project and revise the bid specifications. The bid reviews last summer identified a few weak areas in the proposed plan, specifically the difficulty of heating the existing concrete entry steps to B and C Buildings and problems assuring the water proofing unless the new membrane were to be wrapped over exterior walls and structural intrusions. The revised bid will address all of these issues. This fall, the architects and engineers have been revising plans to include roofs to cover the entry stairs, and replacing the parking railing with a rock wall that includes the waterproof membrane. The Board discussed the issue of constructing roofs over only two of the five courtyard entries at a meeting prior to the Annual Meeting. The Board felt the project would be incomplete and owners in the A

and AA Building would feel slighted without matching entries on those buildings. They decided all entries should be covered with matching roofs, and coordinating accent materials added to the entry drive-through, both inside and on the Wood Road side of the Office Building. Rock accents would also be included at the entry to the lower parking garage on the west side of the Office Building. The Board instructed Mr. Wilson to add the A, AA, Office entry roofs and additional Office building accents to the scope of the project. It is the intent of the Board to make these additions in a way that does not significantly affect the project schedule.

The new project elements will increase the cost of the project. The revised project schedule shows the bid opening on March 18, 2004. We anticipate a competitive bid process that should yield a defined cost for the project. The Board has postponed further financial discussions until more definite costs are available.

## 7. NEW BUSINESS

### Minutes note - tax allocations and disclosures

Mrs. Lebovitz made a motion affirming that the following management practice is a policy of the Board and Management, and is adhered to by the Association. Mrs. de Quesada seconded, and the motion passed:

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 accounts.

Mr. Brown commented that he may be able to assist the Association in obtaining more favorable short term interest rates than those available through Snowmass Village banks. Mr. George will follow up with Mr. Brown on this idea.

### Motion to ratify acts of the Board of Directors for the past year

Mr. Rosenbaum made a motion to ratify the acts of the Board for the past year. The motion was seconded by Mr. de Quesada, and it was approved.

### Base Village

Intrawest and Aspen Sking Company continue to proceed through the Base Village permitting process. A number of the building sizes have been adjusted, and Westin has been identified as the flagship hotel operator. The Town is continuing the review and taking public comments. A citizens group is maneuvering to cause a village-wide vote regarding the project.

### SLC Fees

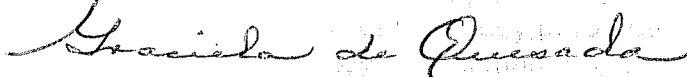
SLC continues to collect data to assist in the fee review process for next year's assessments. Part of the review will be an effort to study utilization of front desk staffing time at the various properties and allocations of management and administrative overhead. Mr. George explained the Enclave Board has requested the staff utilization study, with few study parameters specified. Chamonix Board and owner input has been consistent that a manned desk is a valuable attribute for the property. Mrs. Rosenbaum pointed out that all services available at the desk are also available by phone, when the Chamonix Desk is closed.

#### 8. QUESTIONS FROM THE FLOOR

#### 9. ADJOURNMENT

Mrs. Lebovits made a motion to adjourn. Mr. Brown seconded, and the motion was passed. The meeting was adjourned at 4:52 P.M.

Respectfully submitted,

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

Graciela de Quesada, Secretary