

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 8, 2005

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 4:22 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 (by telephone)	20	2.89
Dick Brown (by telephone 4:28)	35	3.18
Peter Van Giesen (by phone)	46	3.18

Members Present by Proxy	Unit #	% Common Ownership
Rosenberg	21	3.76
Cole	31	3.18
Hullender & Shurley	33	3.47
Luke	34	3.47
Hastings	36	4.34
Hastings	37	2.60
Brag	41	3.47
Rosenbaum	47	2.89

TOTAL 54.06 %

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 3, 2004, MEETING

The February 3, 2004, Annual Meeting Minutes were presented. Mrs. Lebovitz 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 2004 the following projects and major repairs have been completed at Chamonix:

All exposed driveways were replaced with new heated, colored, textured concrete, with waterproofing over the garage area, improved drainage, and a new culvert at the entry. The driveway heat project included replacement of the domestic hot water boilers. New roofs with stone and timber supports replaced existing awnings at all upper building entries, and entry roofs were added at the main and garage entries.

The Lebovitz family donated the use of exercise equipment (treadmill, stair-stepper, and universal weight machine) to the Association. We installed the equipment in the conference room, and installed a mirrored wall, TV/VCR/DVD combination, storage hutch and towel hamper.

We repaired leaks in domestic hot water supply lines and fire sprinkler lines in the underground parking. A gutter was added to a section of B Building where roof drainage was causing damage. A and B Buildings were stabilized by piling at the patio of condominium 23 and the lower B Building fire exit. We began painting garage doors, trim, and railings around the courtyard the new brown color to match the new entries. All exterior entry doors will be refinished to the architect's specifications, and three entry doors will be replaced this spring. The new style gutter will be utilized when future replacements are necessary.

Mr. Anthony asked about the insurance situation where one condo owner was not insured for the loss related to the water line break. Mr. Wilson explained that the owner (Mr. Boyd) continues to disagree with the insurance company adjusters related to the extent of the Association's insurance coverage, but has not approached the Association with any formal request for adjustment.

Rental Report

SLC rental bookings for this winter are up approximately 7% compared to the prior year, or \$155,451. If SLC yearly bookings improve over its entire fiscal year of May through April, a portion of the Chamonix management fees will be forgiven. If SLC rental bookings improve by greater than 10% over the prior year, then SLC and the WCE properties will begin negotiations on how to determine an appropriate reduction in association management fee costs.

Mr. George described the new marketing video, which was aired on national TV recently, and outlined SLC's use of trade shows, and travel agents in the marketing plan. The weak US dollar is responsible for some of the increase in international rental

business this year.

Financial Summary

After the first two months, the Association's expenses are approximately on budget, with total expenses less than 1% below budget.

Income is 0.2% below budget as a result of discounts to residents because of water problems and less interest than anticipated.

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

Utility costs are above budget by 12.9%, or \$3,461 YTD, with higher gas costs accounting for the majority of the overage at \$3,204. The new driveway heat gas consumption was an unknown in this year's budget. The first winter billing was much higher than anticipated; however, the second billing was below budget. We will be able to more accurately project gas costs related to the new snowmelt system, when we budget next year.

Repairs & Maintenance expenses are 5.8% below budget, with savings to date in contractors, pool maintenance, firewood, and groundskeeping. Most of these variations are expected to return closer to budgeted amounts, as the year progresses.

2003-2004 YEAR-END FINANCIAL

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 fiscal year ended October 31, 2004, with an unaudited surplus of \$59,913 to the operating budget. During the 2004-2005 budget process, we projected the surplus at \$50,674. The differences are primarily for timing of paintwork and slightly lower custodial and grounds costs than our forecast. The paintwork was completed in the first two months of fiscal 2004-2005.

The Reserve fund (for replacement of capital items) had a balance of \$ 341,119 at fiscal year-end October 31, 2004.

5. ELECTION OF MANAGERS

Betty Lebovitz's Board term is expiring. Mrs. Lebovitz indicates she will run for another three-year term. Grace de Quesada's and Peter Van Giesen's terms expire in 2006. Ms. Lebovitz asked for nominations from the floor. Hearing none she closed the nominations. Mr. Anthony made a motion to elect Betty Lebovitz for a three-year term on the Board. Mr. Brown seconded, and the motion passed. Thank you to all

candidates for your willingness to serve on the Association Board.

6. UNFINISHED BUSINESS

Courtyard Renovation

The project is complete except for a few minor items that require warm weather. The deck on fourth floor C Building leaks, and there are a couple minor stucco patches needed. Mr. Wilson explained that he expects a final invoice from the architect and the engineers; however, it appears the project will finalize under budget. The exact amount will not be available until the last invoices are submitted. The contractor submitted the last draw February 2, 2005. We will be holding final payment until all details are satisfactorily completed this spring.

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.

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

Mr. Brown made a motion to ratify the acts of the Board for the past year. Dr. Van Giesen seconded the motion, and it was approved.

Base Village

The Base Village developers have received plan approval from the Town of Snowmass Village City Council. The Base Village plan was accepted by voters via referendum on February 3. Mr. George mentioned concerns over dust and noise problems with the impending construction. Air conditioners may help reduce these problems during summer months. Mr. Brown has a conditioner that may be helpful.

WCE Fee agreements

The Boards of Woodrun Place, Chamonix, and The Enclave decided many years ago with SLC to operate under a policy that defined established pricing for Association Management and Front Office fees. Recently, the Board of Woodrun Place decided to

enact a policy regarding fees charged by SLC to that association for any members who have decided to use a management company other than SLC for the purposes of renting their units. Specifically, the Woodrun Place Board, under advice from legal counsel, decided to charge any such fees back to the specific member or members who were using an outside rental agency, effective January 15, 2005. While in earlier discussions the Chamonix Board voted in approval of a similar measure, pending review and approval of the policy by legal counsel, legal counsel ultimately advised that the Chamonix Declaration, as it is currently written, does not allow the Board to back charge individual members in such a manner. Rather, the Declaration only allows that any increased management fees be charged over the entire pool of Chamonix owners, with the impact being that larger units would bear a larger portion of the increased costs.

Legal counsel, however, has recently approved a different concept that addresses the issue in a manner that differs from the policy of the Woodrun Place Board, but accomplishes the same end.

SLC proposes to amend the Standard Rental Agency Agreement between itself and Unit owners to reduce its fixed monthly management fee from \$0 to an average credit of \$250 per month. SLC will also offer a similar, Home Care Management Agency Agreement contract to nonrental owners that includes the same average \$250 credit per month to each nonrental owner choosing to sign the agreement. Simultaneous to this offer, SLC proposes to increase association management fees by an average of \$250 per unit per month. The net economic effect for Chamonix members who enter the revised management agreements with SLC is zero.

Because the association levies its assessments based upon the size of the units owned by its members, any changes in management fees must also be levied in such a manner to comply with the Declaration. That is why SLC proposes an average cost/rebate in this policy. For some members, the cost/rebate will be more than \$250 per month, and for others, it will be less. The intent of the proposed changes is that Chamonix members who enter into the agreements with SLC will bear no increased or reduced aggregate management fee expenses.

SLC asks that the Chamonix members consider these proposals at this meeting and vote on whether to implement them May 1, 2005, which is the effective ending date of the current Association and Standard Rental Agency Agreements, which run from year to year.

After discussion, Mr. Anthony made a motion to approve the two proposed policy changes. Mr. Brown seconded, and the motion passed.

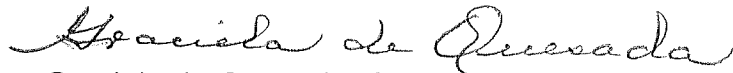
8. QUESTIONS FROM THE FLOOR

Mr. Brown asked about repairs to a railing adjacent to the pool. Mr. Wilson reported that the hole in the railing will be repaired in conjunction with the installation of a pool entry gate requested by our insurance company.

9. ADJOURNMENT

Mr. Anthony made a motion to adjourn. Dr. Van Giesen seconded, and the motion was passed. The meeting was adjourned at 5:00 P.M.

Respectfully submitted,

A handwritten signature in cursive script, reading "Graciela de Quesada". The signature is written in dark ink and is positioned above the printed name.

Graciela de Quesada, Secretary