

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION

ANNUAL OWNERS MEETING

February 27, 2007

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 3:56 P.M. Nonmembers Mike George and Lee Wilson of Snowmass Lodging Company were also present.

<u>Members Present</u>	<u>Unit #</u>	<u>% Common Ownership</u>
Don Anthony	20	2.89
Brian & Beverly Moir	40	2.60
Joe & Faye Rosenbaum	47	2.89
Betty Lebovitz (by telephone)	25&15	9.25
Employee Units	E- 1,2,3	4.91
Dick Brown (by telephone)	35	3.18
Graciela de Quesada (by phone)	45	3.47
Peter Van Giesen (by phone)	46	3.18

<u>Members Present by Proxy</u>	<u>Unit #</u>	<u>% Common Ownership</u>
Coyne	21	3.76
Bergeron	30	2.60
Cole	31	3.18
Garcia-Blake	32	3.18
Woodson	33	3.47
Luke	34	3.47
Roselyn & Harry Hastings	36	4.34
Roselyn & Harry Hastings	37	2.60
Brag	41	3.47
Croft	54	3.47

TOTAL 65.91 %

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 7, 2006, MEETING

The February 7, 2006, Annual Meeting Minutes were presented. Mrs. Lebovitz made a motion to waive the reading of the minutes and approve them as presented. Mrs. Rosenbaum seconded, and the minutes were approved as distributed.

4. REPORT OF PRESIDENT/MANAGEMENT

Physical Property

Since February 2006 the following projects and major repairs have been completed at Chamonix:

- All remaining exterior walls and trim were painted, including a change to a dark brown trim color. (Courtyard exterior walls completed 2005.)
- Stucco was repaired on A Building chimneys and back side of AA.
- New patio lights were installed adjacent to ground floor decks
- The office lobby and inner offices were redecorated, including: painting, baseboard and door trim replacement, dark stain on all trim, granite counter tops, coffee service counter installed, bath fixtures and vanity replaced, door hardware was replaced with a darker color, and new wood blinds installed.
- An access gate was added to the pool enclosure by the hot tub.
- Shingles were replaced at the AA entry
- A commercial dryer was replaced
- Pinhole leaks in the hot water piping were repaired in C, and AA Buildings.
- Building Heat and driveway heat systems were repaired and adjustments made to control systems.

Rental Report

SLC rental bookings for this winter are down from the prior year by approximately 2%, or \$61,985, compared to the prior year. Chamonix gross rental bookings for this winter are up slightly over those of the prior winter.

Financial Summary

After the first three months the Association's expenses are \$22,282, or 7%, under budget, and the operating fund for the current year to date has a surplus to budget of \$22,179, or 14%.

Income is on budget, which included the \$12,500 income from the standstill agreement with The Crestwood.

General and Administrative items are 1.1%, or \$1,517 under budget, with legal reimbursement from The Crestwood, and savings in telephone equipment costs

offsetting higher than forecast insurance premiums.

Utility costs are below budget by 20%, or \$12,849 YTD, with lower than forecast gas costs accounting for the majority of the savings at \$13,210. Gas costs were budgeted flat with last year. Prices of natural gas have decreased. Adjustments to the driveway heat system were designed to reduce gas consumption.

Repairs & Maintenance expenses are 7%, or \$7,915 below budget, with savings to date in most categories. Most of these variations are expected to return closer to budget amounts, as the year progresses, although there may be some annual savings, if these trends continue.

2005-2006 YEAR-END FINANCIAL

The audit for the prior year is in progress.

The association auditor indicated one adjustment to the books in which fixed assets were adjusted for disposed items, resulting in a reduction in depreciation cost by \$1,261. There are no negative management letter issues at this time.

The Reserve fund had a balance of \$420,050 at fiscal year-end October 31, 2006.

5. ELECTION OF MANAGERS

Mr. Anthony's and Mr. Brown's terms expire in 2007. Each expressed a willingness to continue on the Board. A new Colorado State law requires that Board elections be by secret ballot. Mrs. Rosenbaum made a motion to submit the slate of candidates to the membership for three-year terms. Dr. Van Giesen seconded, and the motion passed. Mr. Anthony and Mr. Brown were elected by secret ballot. Thank you to all candidates for your willingness to serve on the Association Board.

6. UNFINISHED BUSINESS

The office lobby decorations are now complete. The office lobby decorations cost approximately \$77,500. The Board members approved the of \$78,800 at the budget meeting of October 2006, using funds from the following line items:

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|--|-----------------|
| • Carpet – conference lobbies | \$16,800 |
| • Carpet – Halls | \$40,000 |
| • Kitchen equipment (rarely used) | \$12,000 |
| • Awnings (borrow ½) | \$ 5,000 |
| • Conference furniture (exercise room now) | <u>\$ 5,000</u> |

Mr. Wilson reported that the Stand Still Agreement between Chamonix and The Crestwood regarding the use of the strip of land adjacent to The Crestwood and originally shown as part of the Chamonix lot has been recorded with Pitkin County. The

payments agreed to in the document (\$12,500 and \$2,500) have been deposited in the Chamonix Association accounts. Total legal costs were approximately \$500 more than the \$2,500 reimbursement agreed to by The Crestwood.

7. NEW BUSINESS

Mr. Wilson described a proposal to provide wireless Internet service throughout Chamonix for an estimated cost of \$32,000. The routers would be installed in common areas in each building. An access code would be required to reduce outside piracy slowing this service.

The proposal for all 16 common lobbies, three elevators, exercise room and ski locker room is based on the same style enhancements as were completed in the office lobby this fall, specifically: new carpet, trim and door replacement and/or dark stain, new door hardware on all doors not having the card lock system hardware, replacement chandeliers, additional accents and furniture in selected areas, granite countertops vanity, toilet, and tile replacement in common baths. Mrs. Moir and Mr. Rosenbaum both requested that some artificial plants be included in the scope of work. The estimate for the decorations is \$553,571 (\$585,571 with wireless), including a 10% contingency. Mrs. de Quesada advised the attendees that she would continue to work on the details and scope of work to be included in this project. Mr. Anthony asked about the proposed schedule for work. Mr. Wilson replied that the current schedule is to try to complete lobbies with rental units in June and to work through the remaining lobbies and ski locker room by the end of August. Mr. Rosenbaum made a motion to authorize a special assessment of \$585,571, seconded by Mrs. de Quesada for common lobby decorations. The motion passed.

Mr. Moir requested that Mr. Wilson replace any window screens that are damaged. Mr. Wilson will attend to window screens after the winter season.

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. Dr. Van Giesen 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. Mrs. Lebovitz seconded the motion, and it was approved.

Base Village

Base village construction will continue this year. The Town and developer have not yet decided on scheduling for the roundabout construction, which is likely to affect Wood Road traffic. Work on Wood Road last season restricted traffic and brought a large amount of construction dirt onto Chamonix drives and grounds.

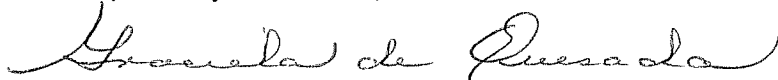
8. QUESTIONS FROM THE FLOOR

Mrs. Moir asked if renters are advised of the state of Snowmass Village during the booking process. Mr. George replied that they are, although the lodging company tries to keep the information in a positive light to retain bookings.

9. ADJOURNMENT

Dr. Van Giesen made a motion to adjourn. Mr. Brown seconded, and the motion was passed. The meeting was adjourned at 4:45 P.M.

Respectfully submitted,



Graciela de Quesada, Secretary