

DRAFT MINUTES – NOT YET APPROVED
CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION
ANNUAL OWNERS MEETING

March 12, 2015

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 2:00 P.M. Nonmembers Mike George and Lee Wilson of Snowmass Lodging Company were also present. Mark Fryer of Young Services joined the meeting at 2:00 pm.

Members Present	Unit #	% Common Ownership
Betty Lebovitz	25&15	9.22
Employee Units	E- 1, 2, 3	4.90
Anthony	20	2.88
Owen	23	6.63
Ostolaza-Dewar	30	2.59
Brown (by phone)	35	3.17
Brian Moir	40	2.59
Peter Van Giesen (by phone)	46	3.17
Dean and Eric Ringel	50	2.59

Members Present by Proxy	Unit #	% Common Ownership
Coyne	21	3.75
Raedy	27	2.59
Garcia-Blake	32	3.17
Hastings	36	4.32
Hastings	37	2.59
Bragg	41	3.46
Rosenbaum	47	2.88
	TOTAL	60.50 %

Verification of the signed proxies and members in attendance 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 18, 2014, MEETING

The February 18, 2014, Annual Meeting Minutes were presented. Dr. Van Giesen made a motion to waive the reading of the minutes and approve them as presented. Mr. Moir seconded, and the minutes were approved as distributed.

4. REPORT OF PRESIDENT/MANAGEMENT

Physical Property

Since February 2014 the following projects and major repairs have been completed at Chamomix:

- Fire Alarm Repairs were completed
- Exercise Room Equipment was serviced
- Garage door to trash bay was serviced
- AA Building drain was cleared and repaired
- Domestic Hot Water Pump was rebuilt
- Main heat pump was repaired
- Snowmelt boiler was repaired
- Domestic hot water system was repaired
- Electrical Panel below roof snow slide was repaired
- Stucco was patched on lower exterior walls
- Pool deck and stairs coated with epoxy
- C Building leak was repaired
- Lower parking drain replaced
- C Building elevator jack was replaced
- C Building elevator oil line was replaced
- C Building elevator control relays were replaced
- Fire Extinguishers were checked and replaced or recharged as needed
- Garage Leak was repaired
- Fire suppression leak was repaired
- Conference Room phone wiring was repaired
- Driveway heat boiler was repaired
- Chimneys were inspected/cleaned
- Gutters and hot edge added to eaves on B Building
- B and C entries and stairs coated with epoxy
- Driveways were repaired, color added, and sealed
- Windows (11) replaced in 6 condominiums
- Gutter over A Building back decks was repaired
- Heat boiler leak was repaired
- Heat system in condo 32 and leak damage repaired (insurance covered)
- Driveway/domestic boiler overhaul/major repair

- Heat boiler #8 taken off line – Proposal to replace heat system
- Fire sprinkler dry line leak repaired in AA Building 1st floor

Mr. Wilson then advised the attendees that one of eight, or thirteen (13) %, of the heat boilers had failed during the winter. The Association's plumber, Young Services, has been investigating replacement options. Because of the age of the remaining seven boilers, Young Services has provided a proposal for heat system replacement. Young Services is also studying a partial replacement option to include locating, purchasing, and warehousing replacement components for the existing system.

The system without this 8th boiler has sufficient capacity to heat the heating solution to the necessary 190 degrees with the 7 remaining boilers, unless the outside air temperature drops well below zero. With this year's temperatures to date, the system has been able to keep up.

Mr. Fryer then described the current state of the heat boilers. If the HOA moves forward with a system replacement, he recommends consideration of different scenarios.

One option is to try to replace the failed Burnham boiler with a similar cast iron boiler, assuming that the county and the town allow a retro-fit into the boiler system. The question for this strategy will be whether the Town of Snowmass Village and/or the county will allow a retrofit into a system from the 1980s, which may not meet current efficiency requirements. Mr. Fryer estimates the current system is about 75-80% efficient. Management raised the question, as to whether additional Burnham boilers could be purchased and warehoused to allow for future replacements. Mark thought that this might be a good concept, as long as TOSV and the county approve of the continued use of these kinds of boiler systems.

Ms. Ostolaza then commented that the assessments for Chamonix at Woodrun were too high, and that she wanted the management contract for Chamonix at Woodrun to be bid.

Another scenario is to replace the old system with a new condensing boiler system. These systems meet current efficiency standards and would be approximately 20-25% more efficient, but they are more expensive to install and to maintain. The current system uses eight boilers, and Mr. Fryer thinks 4 condensing boilers would be appropriate for a replacement system. The replacement costs estimate for this kind of system to replace the original 8 boilers with 4 new, high-efficiency boilers is approximately \$312,000. This new boiler system would require some modification of the venting and vent support systems. This estimate does not include costs for drywall and paint repairs in a few areas adjacent to the boiler room and venting areas. However, the reserve fund in the current fiscal year has approximately \$121,500 allocated to replacement of these components. When asked for his more specific recommendation and after further discussion of these topics, Mr. Fryer advised that Chamonix first

attempt the cast iron boiler replacement strategy.

Mr. Brown then commented that continuing with a system of this age and trying to piecemeal replacements into it on an as needed basis might not be the correct strategy. He advocated for further consideration of replacement of the existing system on a timeline controlled by the Board, versus when the equipment might fail during periods of high occupancy and low temperatures.

Mr. Fryer also recommends a new control system for the snowmelt boilers to improve efficiency.

Rental Report

Total SLC rental dollar bookings for this winter 2014-2015 were pacing up 48% from those of last year in dollar volume at the end of quarter one and about 32% through the date of this report. Chamonix gross rentals are currently up about 1% over the prior winter's total, with 31 days left in the season for future bookings to be made. Chamonix rental owner personal use of their units is up 22% this winter year over year.

It should also be noted that, when the market goes down, Chamonix units tend not to follow the trend. For instance, last year SLC rental revenue was down 7%, but Chamonix rental revenue was up 5%. Taken over the context of two seasons, SLC is up about 25% (32-7), and Chamonix units are up about 6% (5+1). As Chamonix rental unit owner's personal use of their units increased about 19% over that time span, the statistics level out.

Financial Summary

First quarter 2014/2015 – November 2014 through January 2015

The Association has a surplus to budget after the 1st quarter of \$1,125, as compared to the plan.

The Association finished fiscal quarter one of 2014-2015 with five member delinquencies for assessments. As of the date of this meeting, two had paid in full, one had paid all but interest charges, and one has made a partial payment. There is one remaining owner who has yet to make any payments on account. Management has met with this member and asked that he bring his assessment account current.

2013-2014 Year-End Financials

The Association is undergoing its outside audit at this time and expects neither adjusting entries nor negative management comments. The completed audit will be made available to any member upon request.

The Association ended the prior fiscal year with an unaudited operating fund surplus to budget of \$13,938. The Association employs an adjustment policy, whereby it adds accumulated

depreciation and subtracts accumulated loan principal payments to the cumulative operating fund balance, yielding an adjusted operating fund total each year. The net loss Operating Fund carry forward (unaudited) as of October 2014 was \$116,203. This should result in a policy adjusted operating fund surplus of \$69,966, to be reviewed by the auditors.

The Reserve fund had an (unaudited) balance of \$224,920 at fiscal year-end October 31, 2014.

5. ELECTION OF MANAGERS

Mr. Moir and Dr. Van Giesen Board terms expire in 2015. Each is willing to continue on the Board. A Colorado State law requires that Board elections be by secret ballot. Mrs. Lebovitz made a motion to submit the slate of candidates to the membership for a three-year term. Mr. Brown seconded, and the motion passed. Both were elected by secret ballot. Thank you for your willingness to serve on the Association Board.

6. UNFINISHED BUSINESS

Mr. Wilson reported that a window replacement program will continue this spring, if there are owners who wish to replace windows. Owners will be contacted to determine interest in window replacements.

7. NEW BUSINESS

Mr. Wilson described options for exterior deck furniture. The furniture package will be offered to all owners to enhance the exterior appearance of the property. Mrs. Owen recommended that the pool deck furniture be considered for replacement to match any new furniture recommendations for unit decks.

Mr. Wilson reported that management and the board are in the process of reviewing proposed changes to the collection policies of the Association in order to bring them into compliance with current law, with the assistance of outside counsel. Once that review is complete, the board will undertake the appropriate process at a subsequent board meeting to discuss and consider adoption of the amended policies. Mr. Ringel recommended that the HOA undertake a review of the bylaws, so that the membership can consider removing obsolete language and also create language that matches current practices.

Mr. Wilson also reported that, with Mr. Moir's and Dan DiMaria's (SLC systems manager) assistance, the Association has started the process of reviewing TV service providers. The current Comcast agreement will come up for review later this year, and there is a competing provider who has begun an analysis of the property infrastructure, so as to hopefully provide a competitive alternative for the consideration of the board. Mr. Ringel advised that the Internet service had been spotty this past winter, particularly during peak occupancy periods. Mr. Moir discussed some options that may be available over the next few years in Snowmass Village for some options, such as fiber,

additional points and infrastructure in the stairwells, and how we might partner with other businesses for efficiencies. Mr. George commented that speed of delivery could be increased, for an additional cost, under the current Comcast delivery platform. Management will provide that data for the upcoming fall budget meeting. The difficulty is in trying to accurately gauge consumption levels in this new era of smart phones, smart TVs, and expanding consumer use of high data streaming media, and to then match that up to infrastructure improvements in an ever-changing environment.

Mr. George then reviewed the existing co-op structure between Chamonix, Woodrun Place, and The Enclave. He advised the attendees that costs versus services had been recently reviewed. The results of the review were that SLC prices are below the sample market averages for hourly maintenance, housekeeping, and rental commission splits between owners and SLC. He also reviewed specific examples of how much more expensive stand alone costs for Chamonix under a similar services model would be. His opinion is that Chamonix assessments are being driven by the specific nature of the physical plant – 4 elevators for 27 units, a subgrade garage, maintenance and upkeep of more finished interior common space than interior unit space, upkeep of exceptional amenities (superior ski locker and exercise rooms), costly access technicalities for window and elevator replacements, along with other exterior building items – and the age of the facility, now in its 4th decade of operations.

Mr. Moir asked for an update on the master insurance arrangement amongst the co-op. Mr. George replied that the master policy allows Chamonix access to up to \$93.3 million in replacement coverage under certain circumstances, versus a stand-alone \$25.1 million declared valuation. Participants declare their valuations annually and are rated for risk on an individual basis that includes a study of each physical plant and experience rating. The master arrangement under common SLC management is what allows Chamonix additional property replacement coverage amounting to 271% above its stated replacement costs. The SLC co-op is the vehicle by which this significant benefit is made available to the Chamonix membership.

MINUTES NOTES

Tax allocations and disclosures

Mr. Anthony made a motion affirming that the following management practice is a policy of the Board and Management and is adhered to by the Association. Mr. Moir 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

Mrs. Lebovitz made a motion to ratify the acts of the Board for the past year. Mr. Moir seconded the motion, and it was approved.

8. QUESTIONS FROM THE FLOOR

Mr. Owen requested that the annual meeting next year be scheduled at a later time in the day.

Mr. Owen commented that some doors in his unit that were damaged from the heat system leak in unit 32. Mr. Wilson will assist him with this matter.

Mr. Ringel asked about allocation of garages and ski lockers not numbered as assigned to specific units. Management will provide a schedule of which spaces are allocated to which parties.

Mrs. Owen noted that her unit has some windows that her family might consider replacing in the near term.

Mr. Owen noted that, as a new owner, he had come to the meeting with questions about assessments, and he was satisfied with the answers provided by management during this meeting.

9. ADJOURNMENT

Mrs. Lebovitz made a motion to adjourn. Mr. Moir seconded, and the motion was passed. The meeting was adjourned at 4:41 P.M.

Respectfully submitted,

Brian Moir, Secretary