

MINUTES OF ANNUAL MEETING  
OF MEMBERS OF  
FIRST WESTWIND AT VAIL CONDOMINIUMS ASSOCIATION, INC.

June 22, 2002

The Annual Meeting of the Owners/Members of the First Westwind at Vail Condominiums Association, Inc., a Colorado corporation, was held at Lionsquare Lodge, 660 Lionshead Place, Vail, Colorado, on the 22<sup>nd</sup> day of June, 2002, at 9:00 o'clock a.m., M.D.T. (Vail Time), pursuant to written notice duly sent to all members.

The meeting was called to order by President James Beedie (Units 305 and 404), who acted as Chairman. Secretary James Zetler (Unit 101) acted as Secretary to the meeting.

Jim Beedie called upon Jim Zetler to present the report of the Quorum and Credentials Committee. Jim reported that approximately 80% of the voting membership was present in person or by proxy and were eligible to vote. A quorum was, therefore, declared, and the meeting competent to proceed.

Roger Marce (Units 301 and 105) moved and Ed Lambert (Unit 102) seconded acceptance of the Quorum and Credentials report, which passed unanimously by voice vote.

Chairman Jim Beedie then opened the meeting with the first item, which was a review of the agenda, which had been provided to all present. The 5-year summary of revenues and expenses were reviewed. Chairman Beedie noted we are approximately \$25,000 under budget. This amount will be used to cover specific items presented during owners' comments which included railings, garbage location, driveway and garage floors, etc. The Board may use the balance for other items or it will go to surplus. Jim Beedie noted that in future budgets it will be proposed that \$50,000 be allotted for

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capital expenses for IRS purposes. Accounting will advise members what is spent from this fund for depreciation purposes.

Chairman Beedie then discussed the major maintenance projects listed on the agenda. The only area of potential concern is the boilers, and a new study by a consulting engineering has been commissioned.

The year-to-date budget to actual expenses and receipts were reviewed. It was noted that the large reduction in utilities was due mostly to a substantial electrical rebate received.

Roger Marce moved to approve the financial report and Oakah Jones (Unit 405) seconded the motion, which passed by unanimous voice vote.

Chairman Beedie then proposed that the first quarter budget for the new fiscal year beginning August 1 be the same as the previous year. The budget will then be re-examined after the decision on management is finalized. A new budget will be sent out to members for vote by mail. Roger Marce questioned whether the Board saw any significant increases. Chairman Beedie replied that the Board did not. Geoff Wright (Destination Resorts Management) noted that insurance will go up significantly and suggested an allowance of \$20,000 for the coming fiscal year. Ed Lambert inquired if our insurance premium was high due to the cedar shake roof. Geoff Wright (DRM) stated due to the DRM blanket policy, this was not of major impact. Walter Yeates (Unit 205) asked if any major boiler repairs were imminent. Geoff Wright (DRM) replied that to his knowledge there was nothing of significance.

Vicki Marce (Unit 301) moved, seconded by Roger Marce the approval of the Board's budget proposal, which passed by unanimous voice vote.

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Chairman Beedie presented the next item on the agenda, which was the election of officers. Membership questioned whether Jim Zetler should be a Board candidate again this year as his unit (#101) has been listed for sale. Jim stated that the circumstances surrounding the listing of the unit changed and the unit will be withdrawn from the market at the expiration of the listing contract in August.

Bob Jacklin (Unit 303 and 402) then moved to nominate the present Board for re-election. Roger Marce moved that the nominations be closed and the present Board be re-elected by acclamation. Motion was seconded and passed by unanimous voice vote.

Officers elected are: James Beedie (Units 305 and 404); James Zetler (Unit 101); Sol Gordon (Unit 108); Walter Yeates (Unit 205); and Charles Wachendorfer (Unit 104).

Jim Beedie then explained to the membership that it was the Board's intention to solicit bids for the management contract and asked for input from owners. Geoff Wright of Destination Resorts Management then gave a presentation to the ownership, which covered an overview of DRM's corporate organization and their accomplishments over the past ten years of managing the Westwind. Mr. Wright presented two management proposals. The first proposal was a management fee plus labor at a billable rate, and the second was a fixed price package. He briefly reviewed the pros and cons of each approach. Insurance would continue to be available to the Association at a greatly reduced savings (\$20,000 vs. \$54,000 according to the one outside bid received.)

The rental program was then discussed at length with a detailed explanation of the marketing program. There was then a brief question and answer period, which mainly concerned the decrease in rentals and the problems that exist with sub-standard or "value" units. DRM personnel were then excused from the meeting.

Chairman Beedie noted that the Board was unaware of some of the problems that had been brought up and the extent of the impact of the "value" units. The Board will investigate these items.

Jim Beedie then explained that the Board is reviewing several options in addition to the DRM proposal including different companies and the possibility of self-management. This was followed by another presentation by Dale Bugby of Vail Resorts Rental. He presented an overview of his company and their marketing techniques stressing the importance of a Westwind identity as opposed to a management company identity. A brief question and answer period followed where concern was expressed over rental losses in a transition year. Mr. Bugby explained that this was a possibility due to the changes in telephone numbers and long-time advertising programs. He stated that a major effort with central reservations would be helpful in reducing this impact. Mr. Bugby was then excused.

Secretary Jim Zetler noted that the previous year's minutes had not been approved and offered copies to anyone who had not received them. Vicki Marce moved and Raeann Lambert (Unit 102) seconded the approval of last year's minutes, which passed by unanimous voice vote.

Jim Beedie then briefly reviewed the management situation noting that the Board will proceed in investigating our options and will investigate

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items such as insurance and other Association costs, but he noted that the driving force behind the decision would be the rental program. There followed an open forum where each owner offered comments on the present building management or any other topic of concern. After this session, the Board noted some specific items to be addressed including the condition of railings, the garbage removal situation, driveway surface, and carpeting in the elevator. The Board will make sure that these items of concern are addressed.

Don Meier (Unit 209) then moved that the Board investigate whether the management contract and by-laws would allow the Board to permit the management company to drop sub-standard units from the rental program if the owners would not agree to bring them up to acceptable standards. The motion was seconded and passed by unanimous voice vote.

There being no further business to come before the meeting, upon motion of Ed Davenport (Unit 308), seconded by Oakah Jones and unanimously carried, the meeting was adjourned at 1:00 p.m., M.D.T.

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James Zetler, Secretary

APPROVED:

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James Beedie, President