

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL OWNERS MEETING

March 8, 1998

1. Roll call and certification of proxies

The meeting was called to order in the meeting room of The Enclave Arrival Center, Snowmass Village, Colorado, by Larry Sherman, President of the Association, at 4:05 p.m. Nonmembers present were Jim Treadwell, Michael George, Lee Wilson, and Joe Porcaro of Snowmass Lodging Company.

Members Present		Unit #	Points
Sherman	106/107	2715	
Murray	108/110	3090	
Burns	109	1170	
Berkowitz	112	1170	
Katz	202	1170	
Lustberg	204	1170	
Novo	206	1170	
Threshie	301	1860	
Oleshansky	302	1170	
Fiasse	306	1170	
Fisher	311	1170	
Schlosser	313	1545	
Members Present by Proxy	Unit #	Points	
Mullins	101	1860	
Stiles	102	1170	
Butler	103	1170	
Losi	104	1170	
Klein	105	1170	
Jackier	111	1170	
Matthew	113	1545	
Kohlhepp	201	1860	
Bibler	203	1170	
Eldean	205	1170	
Barford	208	1170	
Duvoisin	209	1170	
Kliwer	212	1170	
Kaufman	213	1545	
Poline	303	1170	
Jacob	307	1860	
Marsland	308	1545	
Colburn	309	1170	
Gazelle	310	1545	
McGlone	312	1170	

TOTAL: 45,540 () 52,515 = 87%)

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Verification of the signed proxies established that the required quorum of one-third (33%) of Enclave owners was achieved.

2. Proof of notice of meeting

Joe Porcaro presented proof of notice of meeting.

3. Reading and approval of minutes of December 27, 1996, meeting.

The minutes of the December 27, 1996, meeting had been previously distributed. Mr. Fisher made a motion to waive the reading of the minutes. Mrs. Lustberg seconded, the motion was passed, and the minutes were approved as distributed.

4. Report of Officers

Renovation Update - Mr. Sherman advised the members that the renovation project was substantially completed. Mr. Sherman reviewed the choices of materials and reasons why redwood siding was chosen over other options. Mr. Sherman thanked Mr. Fisher for all of his efforts to oversee the renovation project, commenting that Mr. Fisher was able to substantially reduce some of the project costs through his expertise as a general contractor. Mr. Sherman also thanked the management company for its efforts to help complete the renovation.

The Association has withheld \$50,000 from the contractor to ensure that punch list work will be completed promptly in the Spring. The Association has approximately \$86,000 in Renovation funds held in interest bearing accounts and CDS. The remaining \$36,000 is allocated to architects fees, chimney cap installation, cable box enclosures, property signage, and possibly grab bars in the common walkways that may be a code requirement. The architect is negotiating with the Town for a waiver on the code requirement for the additional grab bars, and we expect to have an answer by this Spring.

Mr. Sherman asked Mr. Fisher to report on the punch list to the attendees. Mr. Fisher commented that the punch list included realignment and modification of certain rail sections; another coat of paint for the rails, including the wooden caps; correction of painting deficiencies in the garage bays; another coat of paint on the balcony deck boards; replacement of some warped balcony deck boards; removal of exposed Tyvek weather barrier; caulking; tuck pointing the chimneys and new brick panels in the walkways; installation of chimney caps; and other miscellaneous carpentry and detail work. Mr. Threshie read a

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note from Mr. Mullins regarding a request for replacement of the exterior wall sconces to match the interior wall sconces. Mr. Sherman noted that we ran out of funds to consider replacing the remaining sconces as a part of the exterior renovation program, but we are funding a Reserve Fund line item for sconces, and we can eventually replace them. Mr. Katz asked if an additional assessment would be needed to complete the work on the punch list, and Mr. Fisher replied that punch list work would be funded out of monies withheld from the General Contractor. Mr. Oleshansky asked about the windows adjacent to the door walls on the patios that cannot be fully opened because of the new railing design. Mr. Fisher replied that offsetting the railings would not in all cases allow the windows to be opened, and that some of these windows unfortunately will not open more than a few inches. Mr. Oleshansky also noted that benches by the stairwell near units 101 thru 301 were missing, and some carpentry work was needed for both safety and aesthetic issues.

Mr. Porcaro will add reinstallation of the benches to the renovation punch list. Mr. Novo asked about the gas fireplace issue, and Mr. Sherman advised the members that many issues related to gas fireplaces still need to be settled to make an informed decision, such as how to meter for consumption, whether the piping can be enclosed or exposed, and whether owners still want to consider the option, given the recent costs of the renovation program. Mr. Schlosser, Mr. Lustberg, and other members advised that they would like the Association to proceed with the investigation. Mr. Burns and Mr. Oleshansky noted that they do not want gas fireplaces. Mr. Oleshansky noted that installing gas lines with exposed piping would hurt the aesthetics of the building.

Mr. Sherman advised that the Board would have management continue with an investigation into the possibility of installation of the gas fireplaces, as many members are still interested in them. Mr. Murray noted that the members would need a visual representation of how the building would look with gas lines. Mr. Katz noted that common metering may eventually cause division within the Association, and individual metering may be a better option, if the Association members can agree on a suitable location for meters.

State of the Property

Mr. Sherman reported that projects completed in the past year include:

Painting the Arrival Center exterior roof and window trim boards

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- Replacement of multiple fogged windows
- Caulking of parking area cracks
- Power washing of the pool and spa decks, including the boulders
- Replacement of the unit entrance signs
- Installation of a test concrete overlay coating on EN305 deck
- Repair of ski locker hardware

Mr. Sherman noted that the Association should consider an aggressive program of continuing maintenance, as new construction in proximity to The Enclave is a strong possibility over the next five years. Mr. Sherman reminded the members that some rental units have original carpeting, bedding, and kitchen appliances that are now nineteen years old. Mr. Sherman noted that, to remain competitive at high rates, rental owners may wish to consider updating their properties.

Mr. Schlosser and Mr. Lustberg both noted that a vacuum purchasing program had been discussed at previous meetings. Mr. Sherman commented that management has tried to get all of the members to buy the vacuums, but some people refused. Mr. Lustberg noted that after Evie Angevine left, no one with the management company pursued the issue. In order for the management company to do a good job, each unit owner needs to have a dependable, high-quality vacuum in the unit. In order for the management company to have replacement parts on hand, such as belts and bags, the members need to use the same model vacuum cleaner.

Owner Action Item - If you have yet to purchase a vacuum, please contact Mr. Porcaro or Mr. George to arrange for a vacuum purchase.

Mr. Schlosser noted that he investigated better insulation for #209, when he owned that unit years ago. Mr. Lustberg noted that he was considering dropping the ceiling, adding insulation, and using drywall to reduce noise. Mr. Katz asked if anyone had considered installing acoustical ceiling tiles, and Mr. Lustberg noted that ceiling tiles are not that attractive. Mr. Oleshansky noted that sound seems to travel up the exterior walls, as a renter in the unit below him during a prior week made a lot of noise.

Management has asked for direction from the members regarding the following potential Association projects:

- Common area concrete

Resurfacing or replacement

Patio sconces

Expanded snow melt capacity for parking area concrete

Larger Boiler

Concrete replacement

Zoned circulation

On site laundry capacity

Commercial grade washers and dryers

Plumbing, storage tanks, and pumps to remove water from property

Gas fireplaces

Common or private meters

Exposed or hidden piping

Town resistance to retrofitted fireboxes

Drip Irrigation

Expanded grounds work

Use groundwater versus eventual metered town water

Additional Investment in elevator hallways

Artwork

Signage

After general discussion of the projects, Jamie Murray noted that a survey of what owners want to do would be extremely helpful. If many owners would like to replace interior items, such as carpeting, appliances, and countertops, volume discounts may be available.

Board Action Item - The Board will send a letter to owners at the end of the winter season listing projects under consideration by the membership and ask owners to prioritize the project list. Members will be able to write in projects for consideration by the membership, if they are not on the original list.

Financial Position

The Association had an audited operating surplus of \$35,417, which the Board voted to use to reduce the 1997-8 General Assessments and retire the Deferred Paint Cost from prior years. During the last three assessment years, the Association has

collected for and retired all prior period painting costs, and the Association is now collecting \$16,000 per year for future exterior staining.

The Arrival Center Debt has been retired, and rent paid by SLC should adequately provide for future interior renovation and furnishing replacements at the Arrival Center.

Current year operations through the first four months are within 1% of the budget.

5. Election of Officers

Mr. Sherman noted that the Board is undergoing changes this year. Mr. Sherman advised the members that, although the Board normally appoints members to replace others who resign, it would be advisable to hold elections at this meeting. Two new Directors, Jamie Murray and Andy Jacob, were elected from the six new member candidates who volunteered to serve on the Board.

Glen Fisher, an incumbent Board Director, was also reelected. Mr. Sherman thanked all of the member who volunteered to serve.

Mr. Sherman also thanked all of the members once more for paying the special assessment for the renovation program so promptly.

Mrs. Murray asked who rents the employee unit, and Mr. Sherman advised that it is an employee of the management company.

6. Old Business

Brush Creek/Burlingame Base Village Proposal - The courts have decided in favor of the developer regarding the Town's denial of the conceptual plan submitted last year. The developer must still resubmit a plan, and the developer has agreed to work through a joint planning process with the Town. Early public meetings have revealed that the developer still plans to develop townhomes below The Enclave, but a formal plan has yet to be submitted. The Board is monitoring the situation and has written the Town council regarding the concerns of the members to protect views, property values, and the quality experience of owning property at The Enclave. Mr. Threshie brought a sketch of the proposal to the meeting, showing where and how many townhomes the developer wants to build on Assay Hill. Mr. Sherman advised the members of how The Enclave was oriented on the map.

Mr. Threshie advised the attendees that the down valley view would be severely impacted for all of the members in the East Wing. Mr. Threshie read Mr. Mullins note regarding his desire

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that the Association continue to help defend against the development, as it impacts the views from The Enclave. Mr. Threshie noted that the development under conceptual proposal would dramatically reduce the skiable terrain. Mr. Sherman advised that the best defense would be to avoid an argument based upon preservation of view planes. Mr. Threshie advised that part of the area under proposed development was zoned for skiing. Mr. Sherman urged all of the members to write letters about their positions to the planning department. Mr. Threshie noted that a planning meeting was scheduled for 4:00 P.M. on March 9, 1998. Mr. Fiasse asked whether or not the land was privately or government owned, and Mr. Fisher noted that realigning the proposed property may work to the advantage of The Enclave. Mr. Sherman advised that the developer had prevailed in its lawsuit against the Town of Snowmass Village because the development proposal had been denied on improper grounds. He further advised that the Town has softened its opposition to this development, and the best defenses are to argue against traffic, density, pollution, and other factors that are of concern to residents of the Village. It was also noted that Mr. Threshie was correct in asserting that zoning would have to be changed in order to allow construction of the town homes on Assay Hill. Mr. Katz said that, as a matter of process, perhaps a committee should be formed to formulate a collective position for the Association. Mr. Fisher noted that the Association could hire a representative to attend the meetings and negotiate on behalf of the Association. Mr. Sherman asked Mr. Threshie if he would represent the Association at the next meeting, and Mr. Threshie replied that he would.

Board Action Item - The Board will write a letter to the developer asking for a meeting to discuss the concerns of the Association.

Insurance - At \$11,611,000, the Association has replacement coverage of \$218 per foot, based upon unit interior square footages. While the Board authorized an outside appraisal in 1996-7 to be done after renovations to verify this valuation, management has been unable to find an appraiser who will perform the work for a reasonable price. Management has obtained an estimate of \$5,000 for an appraisal at Chamonix, and the cost for The Enclave will probably be higher. After general discussion, Mr. Sherman commented that the Board believed this valuation of \$218 per foot in 1996-7 dollars to be reasonable, and the Board has not requested management to proceed with an independent appraisal.

John Wilkinson of Aspen Insurance Agency is available to discuss

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any specific insurance questions owners may have for either the Association or their private needs. The Board encourages you to contact John at (970) 925-7285 or your insurance broker to review your private insurance needs related to unit ownership within the Association, especially if you have made improvements to your unit.

7. New Business

Mrs. Lustberg asked about how other members felt about the SRVA issue. Mr. George summarized the equity issues which have polarized the SVRA members. Mr. Sherman advised the members that the only improvements beneficial to The Enclave owners are a result of the pressure that Mr. Clemente is putting on the organization.

Board Action Item - The Board will issue a letter to the members recommending support Mr. Clemente=s position.

8. Other Business

Mr. Lustberg made a motion affirming the Board=s decision to transfer any amounts collected by or paid to the Association in excess of operating expenses for the year ended September 30, 1997, to be applied against the assessments for the October 1997 through September 1998 business year, as provided by the guidelines established by the IRC. Mr. Fisher seconded, and the motion was passed.

The Association Board under the direction of Mr. Sherman has made many difficult choices over the years to maintain and enhance the value of the property at The Enclave. Mr. Sherman has been an owner at The Enclave for 17 years, and he has served as President for many of those years. The Board members on behalf of all of the owners expressed thanks to Mr. Sherman for his many years of service.

Mr. Threshie made a motion to ratify the acts of the Board for the last year. Mrs. Lustberg seconded, and the motion was approved.

9. Adjournment

The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

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Andy Jacob, Secretary