

MINUTES of THE ENCLAVE ASSOCIATION, INC.

ANNUAL OWNERS MEETING

March 7, 1999

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 Glen Fisher, President of the Association, at 4:05 p.m. Nonmembers Jim Treadwell, Michael George, and Joe Porcaro of Snowmass Lodging Company (SLC) were also present.

Members Present	Unit #	Points
Klein	105	1170
Blumenthal	106/7	2715
Murray	108	1545
Burns	109	1170
Wissing	110	1545
Matthew	113	1545
Katz	202	1170
Lustberg	204	1170
Novo	206	1170
Barford	208	1545
Threshie	301	1860
Jacob	307	1860
Fisher	311	1170

Members Present by Proxy	Unit #	Points
Mullins	101	1860
Stiles	102	1170
Butler	103	1170
Losi	104	1170
Berkowitz	112	1170
Eldean	205	1170
Collins	207	1545
Duvoisin	209	1170
Clancy	210	1545
Kliewer	212	1170
Kaufman	213	1545
Stewart	303	1170
Word	304	1170
Gazelle	310	1545

TOTAL: (37,035) 52,515 = 70.52%

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

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Joe Porcaro presented proof of notice of meeting.

3. Reading and approval of minutes of March 8, 1998, meeting.

The minutes of the March 8, 1998, meeting had been previously distributed. Mr. Lustberg made a motion to waive the reading of the minutes. Mr. Katz seconded, the motion was passed, and the minutes were approved as written.

4. Report of Officers

Renovation Update - Mr. Fisher advised the members that the remaining punch list items were completed to the satisfaction of the Board during the summer, spring, and fall of 1998. Final payments to the architect and to the contractor were released in October and December of 1998, respectively. The Association has approximately \$7,544 remaining in Renovation funds held in an interest bearing account, which is allocated to the replacement of property signage and tuck pointing of various chimneys. Mr. Fisher reported that the Association received its completion permit without having to install additional grab bars by various stair sections.

Mr. Fisher continued, noting that the contractor had reinstalled the bench by unit 301.

State of the Property

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

- *An improved walkway from the ski locker hallway to the stairs up the center of the complex to the ski hill
- *Completion of the extensive renovation punch list work
- *Excavation/clean out of roof drain system on the East side of building
- *Repair of one of the domestic boilers
- *Ongoing replacement of fogged windows, as the seals fail
- *Cleaning of all dryer ducts
- *Rekeying of entire complex

Mr. Threshie asked that management advise all of the owners when we rekey by sending one to each owner with the next mailing of owner statements after the work is completed. Mr. George agreed that this was a good idea, and he asked that owners advise

management, whenever they plan to visit the property.

Mr. Fisher reported that the Board has extended the management agreement with SLC through May 1, 2002.

Unit owners who have yet to purchase vacuums are encouraged to make the investment. 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 one of two model vacuum cleaners - either the Windsor Versamatic model #VSE1/3 or the Hoover Wind Tunnel.

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

Owner Survey Results in Order of Owner Priority

Concrete repairs/replacement was the highest priority item of the members, based upon survey results. The Board members did a property tour on March 7, 1999, to review both the condition of the concrete and the status of other priority items from the owner survey. The Board decided to propose that various other owner priorities be combined into one coordinated plan for consideration of renovation by the members. The items are listed below:

Concrete work throughout the facility/Snowmelt additions to pool/spa sections

Concrete demolition bids are extraordinarily expensive, as any work on the walkways, pool deck level and spa level will have to be done by hand, and the debris will also have to be removed by hand.

Snowmelt Driveway

Expanded Snow melt for parking area concrete sections that remain in shade in front of the south garage bays, including the section in front of the main fan stairs up to the west wing of the facility.

Drip Irrigation/Additional Grounds Work

Staff currently drags hoses around the grounds on an as-needed basis to water lawns and beds. A drip system operated either manually or by timer will allow staff to concentrate on other tasks during the spring, summer, and fall. Irrigation will also

allow for annual/perennial plantings in the beds outside of the ground floor patios.

Grounds Lights

The grounds lights are now twenty years old, and some are in a state of disrepair.

Mr. Jacob asked Mr. Porcaro to read the text that accompanied the survey that was mailed to owners. Mr. Fisher proposed that the members hire a landscape architect to study the grounds and present a renovation plan to encompass these items. After discussion, Mr. Klein made a motion to hire a landscape architect, and Mrs. Threshie seconded. The motion passed. Mr. George asked if the members wanted management to request of the landscape architect a plan for manicured grounds similar to the Crestwood, or if they would prefer something less structured. The members expressed general agreement that they would prefer a grounds plan that was less structured than that of the Crestwood. Mr. Porcaro will ask the architect to consider plantings both in the courtyard and around the patios on the south side of the building.

Mr. Wissing and Mr. Blumenthal expressed concerns about the liability exposure because of potential slip-and-fall accidents that may occur at various locations because of the condition of the concrete. Mr. Katz asked that management advise the Board of the worst locations, so that the Board can decide whether to use the existing amount of \$6,000 in the concrete line item in the Reserve Fund to minimize the exposure until the members can vote on the new landscaping plan.

Lighting - The Association will need additional patio sconces to replace the remaining ceramic pinhole fixtures on patios and decks. As there are 14 extra sconces in Enclave storage remaining from the sconce upgrade, we will need to purchase an additional 35. The estimated installed cost of \$6,000 includes \$150 per light plus \$750 for labor. Mr. Burns noted that the patio lights are visible from other units, and increased light output on the patios may not be the best choice. Mr. Fisher recommended using low wattage bulbs, so that adjoining properties are not bothered.

Mr. Porcaro noted a concern that there is no guarantee of continued production of sconces to match those installed in recent years on the courtyard side of the property. As the Association has \$2,424 allocated to this project in the reserve fund, Mr. Klein moved that the members complete the project this

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year and fund the deficit retroactively. Mr. Novo seconded. Mr. Katz asked that the motion be amended to limit the bulb wattage, and the amended motion passed. Management will start with 25-watt bulbs and see if any adjoining units report problems with too much glare from the patio lights.

Signage - Mr. Murray reported that he has been working with a sign vendor to update the property signage. He reviewed a mockup provided by the vendor. The cost is estimated at \$5,897, and the funds are available from the renovation special assessment. After discussion, the members decided to approve the sign project to include replacement of the free standing sign by the arrival center, the sign on the east wing of the building, the wall-mounted sign outside of unit #313, and to add a sign above the ski locker hallway. Mr. Blumenthal and Mrs. Threshie said that they did not like the new logo as much as the old. Mr. Murray asked if the members prefer the old or the new sign style, and there was general agreement that the old sign style was preferable. Mr. Wissing made a motion to approve the sign project using the original style, and Mrs. Lustberg seconded. The motion passed.

Mr. Porcaro reported that he has obtained a bid of \$4,000 to construct a new stairwell to be located approximately at the midpoint between units 108 and 113, so that residents will have an easier time climbing up to the access trail to Fanny Hill. Mr. Matthew made a motion to approve this project to be funded out of the existing grounds operating budget for 1998-9, and Mr. Jacob seconded. The motion passed.

Gas Fireplaces/Barbecues - Mr. Porcaro reported that gas piping for gas fireplaces and barbecues could be exposed outside the existing siding. Should the Association decide to proceed with installing gas lines to each patio, then the individual members can complete the installation to their fireplace at their convenience. Mr. Porcaro noted that a volume discount will be available for the initial installation, but coordinating future installations will most likely be on a unit-by-unit basis. He further noted that subsequent owners could change their firebox at their discretion from wood burning to gas and from gas back to wood burning. Mr. Porcaro presented a bid of \$13,000-\$14,000 by KN Energy, the local gas utility company, to install gas piping from the current meter location up each chimney stack, with tee connections installed at each deck level.

If the Association elects to install gas service to the individual units, management recommends commonly metered consumption with shutoff valves and timers for each fireplace.

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To meter individual unit consumption will increase the costs dramatically, as three meters will have to be installed at each unit stack, and the linear piping material cost will increase by at least two-thirds. The cost of a gas firebox insert is variable, depending upon which appliance is selected.

Mr. Porcaro passed out pictures of other local properties that have installed gas fireplace/barbecue systems in recent years. The TOV property is similar Mr. George noted that the gas fireplaces have the advantage of reduced pollution, reduced firewood consumption, reduced danger of ember damage to carpets, and reduced need for cleaning of chimneys. Mrs. Threshie asked if the costs of firewood consumption would be less than those of gas consumption, and Mr. George replied that the costs, while certain to be lower, would depend upon gas consumption. Mr. Lustberg reported that many years ago, a log rolled out of an unattended fireplace and caused both fire and smoke damage in at least three units. Mr. Burns noted that gas fireplaces have the potential for other problems, and others noted that exposed piping on the newly renovated exterior of the building would be unattractive. After much discussion, Mr. Jacob pointed out to Mr. Fisher that his proxy votes would determine the outcome of any vote of the subject. Mr. Fisher said that he was uncomfortable voting his proxies either for or against the gas proposal, as the people who had issued him the proxies were about evenly divided on the issue. Mr. Fisher instead asked for a straw vote on whether the meeting attendees were in favor of proceeding with the gas project. The results of the straw poll were 6 yes (including two proxies voted by Mr. George and Mr. Porcaro) and 10 no votes. As the Association remains divided on this issue, Mr. Fisher asked management to send a letter describing the project and its costs to the members, so that a formal written vote on the matter can be taken. Mrs. Threshie asked if, assuming that the project was approved, the costs of a special assessment to fund the project would be weighted according to unit size, or would be a flat cost to each owner, as each unit has only one fireplace. Mr. Fisher replied that the Board would review the Bylaws to determine the technical procedures that would be required for a special assessment.

On site laundry capacity - Commercial grade washers, dryers, plumbing, storage tanks, and pumps to remove water from property are needed to eliminate the dependence of The Enclave on other properties or outside linen servicing firms. As this project was low on the priority list of the owners, Mr. George recommended that The Enclave Association extend an offer to the Chamonix Association to enter into an agreement to share in the capital replacement costs of the laundry equipment, as SLC

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transports the linens to that Association for cleaning. Mr. George pointed out that SLC has split the repair costs of this laundry equipment between The Enclave and Chamonix Associations, but Chamonix has paid for the capital cost of machine replacements over the years. Mr. Fisher said that the Board would consider the proposal and advise the members of its decision regarding laundry equipment.

Additional Investment in elevator hallways - artwork, lighting, and wall surfaces can be improved in the common hallways and at the elevator landings. After discussion, the members decided not to approve proceeding with this project at this time.

Upgrade elevator cabs - lighting, wall panels, and ceilings will be necessary to upgrade the appearance of the elevator cabs. After discussion, the members decided to have Mr. Porcaro obtain bids to replace the existing lighting and wall panels to update the elevator cabs. Mr. Porcaro will present the bids at the next budget meeting during the summer of 1999.

Financial Position

The Association had an audited operating surplus from 1997-8 of \$2,525, which the Board voted to transfer to the Reserve Fund. The audit is available for review by any member upon request.

The Association continues to collect \$16,000 per year to use for future exterior staining/painting needs.

Current year operations through the first four months show an operating surplus to budget of \$7,157, or 6.29%, primarily for lower Snow Removal and Firewood expenses. The Board has decided to increase liability insurance coverage on a blanket basis for Package, DIC, and Boiler policies to \$15 million, and the Board expects to absorb the related cost out of the operating surplus. The deductible was increased to \$5,000 per incidence to partially offset the cost of the increased replacement limit.

5. Election of Officers

Mr. Fisher noted that Andy Jacob is up for re-election this year, after serving for one year to complete the term vacated by Mr. Jackier, who resigned after selling his property. Mr. Fisher nominated Andy Jacob, and Mrs. Lustberg seconded. As there were no other nominations, Mr. Fisher asked for a motion to close nominations. Mr. Katz made a motion to close nominations, and Mrs. Lustberg seconded. The motion passed, and Mr. Jacob was elected to a three-year term.

6. Old Business

Brush Creek/Burlingame Base Village Proposal

Mr. George reported that he contacted Jim Wells of the Land Co. on March 2, 1999. Mr. Wells stated that, at this time, the Land Co. had no plans at this time to resubmit an application in 1999 for consideration by the Town. He would give no further comment on the plans of the development company regarding individual parcels of land.

Insurance - At \$15,000,000 property limit, the Association has average replacement coverage of \$238.10 per foot, based upon exterior square footages. This replacement cost estimate includes the arrival center and parking structures. If a unit owner has renovated kitchen or bath areas, performed other interior modifications, or purchased a unit that had interior modifications performed subsequent to initial construction, the Board strongly recommends that those unit owners have their units appraised on a replacement cost basis. If the appraisal sets the replacement cost value for a unit higher than the average square foot policy limit described above, the Board strongly encourages the affected owner to purchase coverage to supplement the policy obtained by the Association. The Board directed management to include a copy of the pertinent insurance sections of the Bylaws and Declaration with the mailing of the annual minutes to the members. The Board advises each and every owner to have his insurance agent review these documents and compare them to his existing policy to make sure that each and every owner has appropriate coverage for his personal property and unit improvements.

While the declaration states that an outside appraisal is to be performed annually to verify replacement costs, management has been unable to find an appraiser who will perform the work for a reasonable price. Mr. Katz made a motion to waive the outside appraisal requirement for fiscal year 1998-9, Mr. Lustberg seconded, and the motion passed

John Wilkinson of Aspen Insurance Agency is available to discuss 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 and/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.

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7. New Business

Mrs. Katz asked if guests could be assessed for damages, and if signs could be included in the units to help mitigate damages and excessive cleaning. Mr. George will incorporate additional text into the program and advise owners to purchase tiles with requests to limit noise and remove shoes/ski boots quietly in the entry. He will review the text with Mrs. Katz and advise the owners who rent of their opportunity to purchase tiles that will be mounted in the entries of the units.

Mr. Katz asked if the horses on the hill will be back during the summer. Mr. Porcaro will contact the Ski Co to find out if the concession can be moved, so that residents will not be offended by odors from the horses.

Mr. Burns recommended that the Association replace the common area trash receptacles, and the Board directed management to purchase new ones after the ski season.

Mr. Threshie made a motion that the first Sunday in March be set as the permanent annual meeting date, so that interested owners can make flight arrangements more quickly. Mr. Katz seconded, and the motion passed. The next annual meeting will be at 4:00 p.m., March 5, 2000.

8. Other Business

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

9. Adjournment

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

Respectfully submitted,

Andy Jacob, Secretary