

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL OWNERS MEETING

March 5, 2000

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 4:00 p.m. Nonmembers Michael George, and Joe Porcaro of Snowmass Lodging Company (SLC), Doug McKenzie of Aspen Ski Company, and Julie Powell of Mt Daly Enterprises were also present.

Members Present	Unit #	Points
Klein	105	1170
Blumenthal	106/7	2715
Murray	108	1545
Burns	109	1170
Wissing	110	1545
Berkowitz	112	1170
Katz	202	1170
Lustberg	204	1170
Novo	206	1170
Barford	208	1545
Kliwer	212	1170
Threshie	301	1860
Jacob	307	1860
Word	304	1170
Marsland	308	1545
Fisher	311	1170

Members Present by Proxy	Unit #	Points
Stiles	102	1170
Sirkus	103	1170
Matthew	113	1545
Jacobs	201	1860
Eldean	205	1170
Collins	207	1545
Clancy	210	1545
Kaufman	213	1545
Fiasse	306	1170
Colburn	309	1170
Gazelle	310	1545

TOTAL: (38,580) 52,515 = 73%)

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. SkiCo Development Update - Brush Creek/Burlingame

Doug MacKenzie explained that the SkiCo had recently purchased several parcels of land from their prior partner, The Land Company.

Some of the properties that the SkiCo purchased are dedicated ski easements, and the SkiCo is considering development of the meadows above the Red School House for employee housing. Mr. MacKenzie went on to describe the 18 acre parcel that encompasses the lot below the Enclave, the parking and ski administration buildings, the clinic all the way down to Brush Creek road.

He noted that all of the plans discussed today are preliminary in nature. For lifts, some ideas are to remove both the Burlingame and Fanny Hill lifts, and replace them with a quad or gondola that would run from the new base village up to Sam's Knob. The SkiCo is also considering running a gondola up to Café Suzanne, and possibly a fixed-grip chair that would run from the top of this gondola to the top of the naked lady area. Dr. Lustberg asked if the SkiCo would consider increasing the hours of operation of the Assay Hill lift to 4:00 p.m. Mr. MacKenzie said that he would try to get the afternoon hours extended until 4:00 p.m, but he did note at a later time in the meeting that he was short-handed for lift operators.

Mr. Blumenthal asked if condominium development in the lot and other areas below The Enclave would impact down-valley views. Mr. MacKenzie replied that he does not know what the complete effect would be, but down-valley views may be impacted.

Mr. Wissing asked Mr. MacKenzie to describe the reasons why the SkiCo wants to do the base village development. Mr. MacKenzie explained that the development in place hasn't been completed and that a number of elements of the skier experience will be improved by a well-designed base village. Namely, parking access to and from a centralized base, and better distribution of mountain users across Elk Camp, Burnt Mountain, and Sam's Knob.

Mrs. Threshie asked Mr. MacKenzie to describe the land that was zoned for development that was currently ski runs. Mr.

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MacKenzie pointed out various parcels of land on two maps that showed the general sections of land that were private and the ones that were managed by the Forest Service.

Dr. Word asked about plans for an area for children. Mr. MacKenzie noted that the SkiCo is now looking at locating a children's center where the snowcats are now garaged, and also at children's programs up near Café Suzanne.

The attendees thanked Mr. MacKenzie for his presentation, and he left the meeting at 5:30 P.M.

4. Mount Daily Enterprises - Landscape Plan Review

Concrete - The Board decided to defer on using Association funds to replace any concrete until the Landscaping architect completed the plans for Association review.

Julie Powell described a proposal for renovation of the grounds with narrower walkways, possibly snowmelted, possibly with pavers, reduction of hardscape, curviliner pathways, more plantings and trees throughout the boulder retainage, and plantings in front of the retaining tie wall between the spa and pool levels. She also described plans for shrubs and trees between The Enclave and the parking areas across the street to help shelter the view of the expected future buildings that will be there. The plan also includes new lighting to follow all of the paths.

The Board explained that the plan at this preliminary stage would cost between \$350,000 and \$400,000. Different owners expressed ideas about costs and various aspects of the plan. Dr. Kliwer and Mr. Blumenthal noted the high appreciation in value to the units over recent years and that an investment in the grounds is necessary.

Dr. Lustberg recommended that the Board proceed with creating two or three scenarios and present the information to the members for consideration. The Board will advise the owners when the architect completes the various scenario proposals.

5. Reading and approval of minutes of March 7, 1999, meeting.

Management had previously distributed the minutes of the March 7, 1999, meeting. Mr. Jacob made a motion to waive the reading of the minutes. Mrs. Berkowitz seconded, and the motion was

passed. Dr. Lustberg made a motion to approve the minutes as written, and Mrs. Katz seconded. The motion was passed.

6. Report of Officers

State of the Property

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

- *Replacement of the domestic boilers with two new boilers
- *Completed items on warranty list from renovation
- *Painted the carport knee wall
- *Replaced outdoor light sconces on back decks and patios to match courtyard side - using 25 watt bulbs
- *Installation of ski access steps on the west side of building (outside of 112)
- *Added three new "ENCLAVE" signs to the building
- *Ongoing replacement of fogged windows, as the seals have failed

Financial Position

The Association had an audited operating surplus from 1998-9 of \$29,126, 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 \$14,846, primarily for lower SLC Repairs, Pool Maintenance, Snow Removal and Firewood expenses on low occupancy.

7. Election of Officers

Mr. Fisher noted that Jamie Murray is up for re-election this year, after serving for two years to complete the term vacated by Mr. Sherman, who resigned after selling his property. Mr. Jacob nominated Mr. Murray, and Mrs. Katz seconded. As there were no other nominations, Mr. Fisher asked for a vote, and Mr. Murray was elected to a three-year term.

8. Old Business

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On site laundry capacity - Mr. Fisher advised that the Board has deferred on making any decision regarding the addition of laundry equipment on site. Management has adjusted the split of operating costs to be 33% Chamonix/67% Enclave, as Chamonix has borne the capital costs of both the original and replacement equipment.

Upgrade elevator cabs - Mr. Porcaro presented bids at the last budget meeting on this project. The Board decided to increase the wattage in the existing ceiling fixtures and to defer on any other changes.

Capital Creek Outfitters - This company agreed to move their horse operation farther up Assay Hill to reduce the associated odor. After the operation moved, we did not receive any further complaints from owners or guests.

Trash Barrels - the barrels were painted last winter. The Town of Snowmass village has passed an ordinance requiring properties to replace their older trash receptacles with ones that are considered bear-proof. Management will replace the receptacles before the end of the fiscal year.

Snowboarder Lawsuit - The snowboarder who landed in the parking area some years ago filed a lawsuit against the Association. While our insurance company paid for our costs of litigation, we are pleased to report that the suit was recently settled for \$500.

Insurance - At \$15,089,550 property limit, the Association has average replacement coverage of \$239.52 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. The Board has decided to maintain liability insurance coverage on a blanket basis for Package, DIC, and Boiler policies at \$15 million. The deductible was maintained at \$5,000 per incidence to partially offset the cost of the replacement limit.

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.

9. New Business

Unit dialing Instructions - Management presented a plan to the Board earlier this year about acquiring a block of sequential numbers under the new 922 exchange. By upgrading the incoming line hardware to a T-1 system, callers now have the option of bypassing the switchboard and dialing each unit or staff member directly, or simply using the old direct dial numbers to obtain help at the switchboard. For example, if a caller wishes to bypass the switchboard and call unit # 105, the phone number is 970 922-3105. For unit # 202, the number is 970 922-3202. The voicemail system remains essentially the same.

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. Fisher made a motion to waive the outside appraisal requirement for fiscal year 1999-0, Mr. Jacob seconded, and the motion passed.

Tube Town - Mrs. Threshie asked about the gated access to Tube town. Mr. Porcaro explained that the SkiCo had given up the gated access system, because people weren't using them.

Mr. Katz asked management to provide copies of the bylaws and declarations to the owners. Management will issue copies to the owners.

Dr. Lustberg asked if the owners would reconsider the gas fireplace issue. Dr. Word spoke in favor of adding the gas fireplace systems. Various owners spoke of the pros and cons of gas fireplace systems. Mrs. Threshie recommended waiting another year before revisiting this issue.

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10. Other Business

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

The annual meeting for next will be at 4:00 p.m. on March 3, 2001, the first Sunday of that month.

11. Adjournment

The meeting was adjourned at 6:10 p.m.

Respectfully submitted,

Andy Jacob, Secretary