

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL OWNERS MEETING

March 9, 2001

1. Roll call and certification of proxies

Glen Fisher, President of the Association, called the meeting to order in the meeting room of The Enclave Arrival Center, Snowmass Village, Colorado at 4:10p.m. Nonmembers Michael George, Lee Wilson and Joe Porcaro of Snowmass Lodging Company (SLC) were also present.

Members Present

	Unit #	Points
Mullins	101	1860
Klein	105	1170
Blumenthal	106/7	2715
Murray	108	1545
Wissing	110	1545
Novo	203	1170
Lustberg	204	1170
Novo	206	1170
Barford	208	1545
Kliewer	212	1170
Threshie	301	1860
Oleshansky	302	1170
Jacob	307	1860
Fisher	311	1170

Members Present

by Proxy	Unit #	Points
Stiles	102	1170
Sirkus	103	1170
Losi	104	1170
Beckerman	111	1170
Berkowitz	112	1170
Matthew	113	1545
Jacobs	201	1860
Eldean	205	1170
Collins	207	1545
Duvoison	209	1170
Clancy	210	1545
Wiener	211	1170
Word	304	1170
Fiasse	306	1170
Marsland	308	1545
Gazelle	310	1545
McGlone	312	1170

TOTAL: (42,405/52,515 =80%

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 March 5, 2000, meeting.

Management had previously distributed the minutes of the March 5, 2000, meeting. Mr. Fisher made a motion to waive the reading of the minutes. Mr. Jacob seconded, and the motion was passed. Mr. Fisher made a motion to approve the minutes as written. Mrs. Threshie requested a correction to paragraph 4, changing the word "will" to "may" as it pertains to view impact. Mr. Jacob seconded, and the motion passed, as amended.

4. Ski Co Development Update - Brush Creek/Burlingame

Mr. Blumenthal and the Lustbergs noted that they had attended Ski Co meetings on the subject, and their impressions are that the Ski Co is now considering much more lodging in the development. Mr. George noted that, as recently as November, the Ski Co was adamantly opposed to hotel lodging in the Base Village. Mrs. Threshie asked if management could notify the owners, when a proposal of substance becomes public. Mr. Klein asked if management could contact the Planning and Zoning Commission and request notification in the event of any proposed zoning change. Mr. Jacob asked if management could retain David Myler as attorney for the Association to alert the Association of any substantive development. Mr. George replied that SLC would follow up on all three of these requests.

Mr. Klein commented that the development at the base of Aspen Highlands was impressive and advised members to visit it. He expressed concern that the mass of the structure at the base of Aspen Highlands is too tall in scale for the Snowmass Village Base Development.

Mr. Blumenthal encouraged SLC staff to attend the Ski Co meetings on the Base Village development. Mr. George replied that staff would try to attend as many meetings as possible, but that manpower was not always available.

Landscape Plan Review - Mr. Porcaro summarized the scope of work in the plan:

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- *snow melted concrete to replace the concrete in all of the uncovered areas of the driveway
- *colored concrete and new railings for the main stairs with pavers on the walkways also all snow melted
- *pavers around the pool and spa with snowmelt around spa, the surrounding stairs and the south side of pool
- *larger hot tub
- *landscaping throughout, including courtyard and roadside areas
- *irrigation and drainage improvements throughout grounds
- *reduction of hardscape around pool
- *replacement of grounds lights

The scope of work in the budget was increased for demolition of more concrete at the garage level and replacement with snow melted concrete. The budget approved by the members and subsequently by the Board of Directors is \$415,050. The bids and remaining estimates to perform the work amount to \$579,000. Mr. Jacob noted that a substantial amount of money was being committed to concrete replacement and snowmelt work. Mr. Jacob also noted that the return on the investment for this scope of work at these costs might not be reasonable. Mr. Fisher expressed his reservations about the escalation in costs and the difficulty in obtaining reasonably detailed bids from the local vendors. Mr. Fisher commented that the Board and SLC had discussed different budget components with various subcontractors bidding upon the project. Mr. Fisher further commented that the Board, at this time, could not support proceeding with the work this spring until challenges by the subcontractors to the specifications provided by the landscape architect, Mt. Daly, could be resolved.

Mr. Jacob went on to note that the Board is not convinced that the plant and tree selection by the landscape architect, most notably in the upper shaded courtyard, is appropriate. Mr. Wissing commented that perhaps a general contractor or project manager could be retained to assist with the grounds project. Mr. Fisher noted that the Board was considering this as a possibility.

Mrs. Threshie commented that, as the project was to be delayed, the funds collected for it should be invested in a CD to obtain some interest. Mrs. Threshie also asked about the timing of the collection of the assessments, in that they were levied in advance of the start date of the project. Mr. Fisher replied that the project, as it was originally envisioned, was to be accomplished in a relatively short time frame, necessitating early collection of the assessments. Mr. George noted that, as

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50% deposits are typically required by local subcontractors, he had advised the Board to request early collection of the assessments so as to provide funding to secure subcontractors for the work.

Mr. Fisher noted that the Board would continue to collect information on the project. The Board will advise the members when revisions to the scope of work and the budget are completed. The Board expects to compile enough information on the remaining details of the project to present a revised scope of work and budget to the members later this year. Work would then most likely occur after the next winter season. Depending upon how much concrete work is included in the final scope of work, access to the courtyard by members and guests may be restricted for the spring, summer, and fall months of 2002.

5. Report of Officers

State of the Property

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

- *continued work on the landscape plan
- *ongoing replacement of fogged windows, as the seals have failed
- *installation of new soffit vents and screens in the eaves
- *repair of the brick wall between 107 & 108
- *replacement of upper level arrival center carpet
- *reupholster of arrival center couch
- *repair of wind-damaged ski locker doors

Mr. Fisher also commented that the Snowmass Resort Association has recently undergone changes in its executive staff. There is a new President, Vice President of Sales and Marketing, and a new Public Relations Director. Management expects this to be a transition year, and plans for the construction of a second conference center have been shelved at this time. The new President, Jim France, has an extensive background in both the hospitality industry and recently held a position as the General Manager of the Grove Park Inn in Asheville, North Carolina.

Financial Position

The Association is undergoing its outside audit at this time. Management has had discussions with the auditors and anticipates no adjustments to the financial records. Management recommended to the Board that the operating surplus of \$38,893 from the 1999-2000 fiscal year be transferred to supplement the Grounds

project and be dedicated to the concrete replacement line item.

The Board accepted this recommendation at the September 2000 budget meeting. The completed audit will be made available to any member upon request.

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

Current year operations through the first four months show an operating surplus to budget of \$5,218, primarily for higher interest income, some savings in utilities, and lower snow removal costs.

6. Election of Officers

Mr. Murray noted that management had solicited resumes prior to this annual meeting from members who might be interested in serving on the Board of Directors, and there were no responses.

Mr. Murray noted that Glen Fisher is up for re-election this year, after serving for three years. Mr. Murray nominated Mr. Fisher, and Mr. Jacob seconded. Mr. Murray asked if there were any members present who wished to declare candidacy for the Board of Directors at this time. As there were no other nominations or declarations of candidacy, Mr. Murray asked for a vote, and Mr. Fisher was elected to a three-year term.

7. Old Business

Insurance - At \$15,845,000 property limit, the Association has average replacement coverage of \$288 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. Mr. Blumenthal noted that, even at \$288 per foot, he was not confident that the building could be replaced for that amount. Mr. Jacob noted that, while the replacement cost might be adequate, he was uncomfortable that it may not be adequate to also cover the costs of any substantial demolition. Mr. George asked if the members would like a quote to increase the replacement limit to \$325 per foot, and there was general agreement among those present that this was prudent.

Mr. George will advise the Board of the costs to increase the insurance coverage. If the Board decides to increase the replacement limit, it will so advise the members. Mr. George will also find out if any demolition costs would be included in the replacement cost 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.

8. New Business

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. Murray made a motion to waive the outside appraisal requirement for fiscal year 2000-2001, Mr. Wissing seconded, and the motion passed.

Ski Shop - Mr. Blumenthal noted that, as the ski shop was not currently being used, perhaps the members would consider renovating it into useful space. General discussion followed as to the possible uses: employee unit, bathrooms and changing rooms for people using the pool and Jacuzzi, relocation of the exercise room, and storage facilities were among the ideas expressed by those present. SLC will solicit ideas from the other members of the Association and present them at a later date for consideration. SLC will also investigate the possibility of converting the existing exercise room to an employee unit in the event that the ski shop could be renovated into an exercise room.

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Mrs. Mullins noted that noise from the existing employee unit was audible in her unit, and that sound transmission, should the current exercise facility be converted into a second employee unit, was a concern. Mr. Porcaro will ask the current residents of the employee unit to lower the volume of their stereo in the evenings.

The Lustbergs and the Kleins commented about the transmission of sound between the floors. As many owners have expanded the tiled entries, an unfortunate side effect is that impact sound is more easily transmitted between the floors. Mr. Blumenthal commented that the Association could establish a rule whereby all members performing installation of tile could be required to install soundproofing materials in the flooring system. Mr. Klein made a motion to institute this rule, Mr. Blumenthal seconded, and the motion passed. Mr. Lustberg commented that owners who had already performed tile installations could install carpet runners. There was general agreement that this was a reasonable request, and SLC will make a note of it in the cover letter that accompanies the minutes of this meeting to the members.

Mr. Oleshansky commented that an SLC staff member with a large truck has been parking at the East end of the property, making it difficult to use the stairwell. Mr. Porcaro will advise the employee not to park there.

Dr. Lustberg thanked the staff of SLC, and particularly MR. Porcaro, for their hard work during the past year.

9. Other Business

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

The annual meeting for next year will be at 4:00 p.m. on March 3, 2002, the first Sunday of that month.

10. Adjournment

The meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Andy Jacob, Secretary