

**MINUTES of THE ENCLAVE ASSOCIATION, INC.**  
**ANNUAL OWNERS MEETING**

March 5, 2006

1. Roll call and certification of proxies

Mel Blumenthal, President of the Association, called the meeting to order in the meeting room of The Enclave Arrival Center at Snowmass Village, Colorado at 3:07 P.M. Nonmembers Michael George and Joe Porcaro of Snowmass Lodging Company (SLC) were also present.

Members Present

	Unit #	Points
Klein	105	1170
Blumenthal	206/106/107	3885
Burns	109	1170
Lustberg	204	1170
Novo	207	2715
Hilsinger/Barford	208	1545
Kiewer	212	1170
Threshie	301	1860
Word	304	1170
Garon	307	1860

Members Present

by Proxy	Unit #	Points
Meyer	101	1860
Wissing	110	1545
Beckerman	111	1170
Matthew	113	1545
Jacobs	201	1860
Novo	203	1170
Duvoisin	209	1170
Kaufman	213	1545
Wilkinson	305	1170
Fiasse	306	1170
Mellencamp	309	1170
Fisher	311	1170

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TOTAL: (34,260/52,515 =65%)

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 6, 2005, meeting.

Management had previously distributed the minutes of the March 6, 2005, meeting. Mr. Blumenthal made a motion to waive the reading of the minutes. Mr. Lustberg seconded, and the motion was passed. Mrs. Threshie asked for a correction to the minutes to change references to her husband David as "Mr." instead of "Dr". Mr. Blumenthal made a motion to approve the minutes as written, including any necessary corrections for Mr. Threshie's name. Mrs. Lustberg seconded, and the motion passed.

4. Report of Officers

State of the Property

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

- \*Recarpeted elevator cabs, applied swirl pattern to stainless steel cab walls
- \*Repainted stairwells
- \*Textured and painted arrival center interior walls, stained furniture, purchased new coffee server
- \*Applied coat of sealer to all exposed aggregate, walkways and pool decks
- \*Installed unit 202 replacement windows and sliding doors
- \*Replaced pool cover and roller
- \*Replaced main pool filter
- \*Replaced pool light fixture
- \*Replaced ash cans
- \*Replaced the spa heat exchanger and thermostat
- \*Repaired roof leaks by East Elevator Walkways and Arrival Center entrance
- \*Restained all front doors for units, carport knee walls, various clear story siding walls, and siding outside of ski locker walkway
- \*Completion of topical overlay project
- \*Trex decks were installed for 113 and 105, partially funded by the Association, as ground floor decks are not appropriate for the topical overlay treatment applied to decks for second and third floor units
- \*An architect completed preliminary plans for renovation and conversion of the old ski shop room into a gym

Financial Position

The Association has completed its outside audit at this time and has received the final report from the auditor. Management recommended, and the Board subsequently authorized, transferring the residual Reserve Fund line item amount for Window Replacement, \$15,039, to a new balance sheet line item for the Window replacement project. The Operating Fund borrowed \$26,908 from the Reserve Fund as of September 2005 for working capital needs, and the Operating Deficit from 2004-2005 is funded via assessments for 2005-2006. The completed audit will be made available to any member upon request.

The Association finished the prior year with \$43,559 in the Deferred Painting Fund, and it will collect \$6,000 this year to use for future exterior staining/painting needs. However, restaining of large exterior siding sections is consuming this fund at a rapid

rate, so the Board will consider increasing the annual funding amount during the next budget meeting.

Current year operations through the first four months show an operating surplus to budget of \$2,168, primarily for savings to date in Depreciation and R&M Contractor repairs, with other line item variances offsetting. The savings in Depreciation is caused by a delay in the purchase of shared replacement laundry equipment, now planned for this spring.

## 5. Election of Officers

Mr. Blumenthal noted that he is up for re-election this year, and the Special Meeting held earlier today expanded the maximum Board size from five (5) to seven (7). At the Special Meeting held earlier today the Board decided to fill two seats this year, bringing the count of Board members up to seven (7). Prior to this meeting there were two (2) members who declared candidacy for this position.

Mr. Blumenthal noted that two members had notified the Board that they would each like to run for a seat on the Board – Mr. Garon and Mr. Stiles – and he advised the members that he planned to run for reelection also this year. Mr. Blumenthal then proceeded to describe the resume of Mr. Stiles, which he received via email, to the attendees. He then invited Mr. Garon, who was in attendance, to describe his resume. Dr. Word then declared his candidacy from the floor, and Mr. Blumenthal invited him to describe his resume. Mr. Blumenthal asked if there were any other 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. Blumenthal then closed the nominations. Mr. Klein made a motion to nominate the slate of candidates – Mr. Blumenthal, Mr. Garon, Dr. Word, and Mr. Stiles - and Mr. Novo seconded. Mr. Porcaro passed out ballots for the attendees to use for the vote, as a new 2006 state law requires that votes for Board seats must be done by secret ballot.

Mr. Blumenthal, Mr. Garon and Dr. Word were elected to the Board. Dr. Word was specified as the sixth (6<sup>th</sup>) Director, and Mr. Garon was specified as the seventh (7<sup>th</sup>).

## 6. Old Business

### Insurance

At \$22,263,000 property limit, the Association has average replacement coverage of \$351.62 per foot, based upon exterior square footages, and including the carports and the arrival center building. 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 advises each and every owner to have his insurance agent review existing association policies and that owner's policies 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 \$1 million per occurrence and \$2 million aggregate, with a \$25 million umbrella. The deductible was maintained at \$5,000 property deductible per incidence to partially offset the cost of the replacement limit. Demolition and increased costs of construction are separate from the property limits at \$750,000 under the building and ordinance section of the Package coverage. For fiscal 2005-2006 the Association purchased a minimum workers compensation policy, primarily to protect against uninsured subcontractors working on site who might become injured.

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 Mr. Wilkinson 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.

Mr. Garon recommended that the Association obtain an estimate from a local contractor on replacement cost in the current market. Mr. George commented that he would try to obtain that information from the contractor for the proposed Woodrun Place project that is currently under municipal review.

#### Discussion on Ski Shop Building Renovation

Although we do have preliminary plans for renovation of the ski shop building, Mr. Blumenthal commented that discussions on this issue can be deferred, while the Board investigates the possibility of developing a saleable asset on the western side of our property. We are attempting to have the SkiCo vacate its easement along the old path of the Wood Road chairlift, where it crosses our property, which would free up a significant parcel on our land. The Board plans to explore the best uses for this parcel on our property, which might be a saleable asset, a new gym, improved landscaping, or some other use, yet to be identified.

Mrs. Lustberg commented that the association should invest some money in the existing exercise room for better lighting and a coat of paint. She also commented that the equipment is in good shape. After discussion there was general agreement that Mr. Porcaro should schedule painting of the room and replacement or enhancement of the lighting.

Mr. Hilsinger commented that the Association should consider renovating the ski shop room now, instead of waiting to consider building a gym on the parcel of land that may become available for development on the western side of The Enclave property. Mr. Blumenthal replied that, while the members could decide to renovate that structure now, that would require a special assessment. Waiting to use the land parcel as a possible funding mechanism could eliminate the need for such a special assessment. Dr. Kiewer commented that the exercise room is generally always in clean condition, but he would like to see the water supply put back into the room. Mr. Porcaro replied that the previous supply had started leaking, and he will have it replaced, soon. Mr. Garon commented that his family owns a large exercise facility Michigan and that the one at the Enclave is substandard. He recommended a time line for a decision on what to do with the existing facility, as well as what to do with the land parcel to the west side of The Enclave property.

## Window Project

Two of three special assessments for the window project have been issued to the members. As of today one owner is delinquent on his regular assessment payment. Joe Porcaro has called the owner to try to elicit payment.

We have paid a deposit on the windows, and they are scheduled to be delivered on site for storage in the carports on April 5, 2006. We have also paid a deposit for the installer per our agreement to secure our place in the calendar for work and per our contract with his company.

Window installation will begin during the second week of April. Management will first take pictures of the interior of the units to have a record of where everything belongs. Staff will then move furniture and personal belongings away from window and door areas, as needed, and cover for safekeeping. Management has scheduled a window blind vendor, "Shine a Blind," to remove, store in unit, and then re-hang all window coverings. Owners who are thinking of replacing their window coverings should advise management by March 20, 2006, in order to avoid labor charges for the storing and rehanging of old blinds. Please advise Joe Porcaro, either in writing or via email, if you have decided to replace your window coverings. Samples of various new window coverings were on display at the annual meeting.

Please advise Joe Porcaro, if you plan to visit The Enclave between March 20, 2006, and April 16, 2006, if you have not already done so, so that we can start removing and storing blinds on March 21, 2006, for all vacant units during that period. This will facilitate an early start on our window replacement project.

## Laundry Equipment

We had planned to share in the purchase and installation of new laundry equipment at Chamonix this past fall, but the new equipment requires demolition and replacement of concrete support pads and some additional venting, and the management company could not get the unexpected work scheduled before the start of this winter season. The management company is operating the washers at Chamonix only on slow cycles to nurse them along through the winter, as they are failing. We expect to complete the acquisition of the equipment and its installation this spring.

## Mall Redevelopment Update

Jason Haber, Snowmass Village Economic Director, joined the meeting at 4:10 PM to give a presentation on the West Village (mall area) redevelopment plan. Highlights of his presentation were recommended code changes for Town of Snowmass Village laws to streamline the municipal entitlement process; cooperative funding between the community and the involved properties, to the extent that community purposes are served; and a description of the major structural, trail, and transit changes that could be included in the redevelopment of this area of Snowmass Village. Mr. Haber commented that the plans are conceptual and preliminary at this time. After an extended question and answer

session Mr. Blumenthal commented that coordination of all of the various construction projects, both approved and at the conceptual stages, will be of concern to all residents and public officials over as many as the next ten to twenty years.

### Ski Co Development Update – Base Village

Two representatives from Intrawest/Skico, Michael O'Connor and Victor Gerdin, joined the meeting at 4:36 PM to explain the revised construction management plan for Base Village, including the status of the proposed gondola and the regrading plan for the west side of the Enclave. Mr. Blumenthal asked Mr. O'Connor to start off by discussing the changes in the construction timeline. Mr. O'Connor commented that stream flow depletion became an issue in the development application, in that this unexpected requirement became a significant impediment to proceeding with the development. The condition would have required the developer to replace water from sources and over land that the developer either does not own, nor does it control. After a recent meeting with the controlling authority the developer now believes that it will receive a new permit removing this condition, allowing it to resume its development work this spring.

Mr. O'Connor then moved on to discuss the construction management plan. He commented that the developer still plans to complete its build out in 2011 or 2012, so the timeline between now and then has been compressed by one year. He advised that the developer is considering use of precast concrete to minimize traffic impacts and shorten the construction time line. One of the major items in the construction management plan is a passing lane on Brush Creek road to allow non-construction traffic to pass loaded material trucks on their way into the Village. He then discussed the timing of when certain buildings would be constructed and confirmed that public access to Base Village for at least some of the buildings will be the ski season of 2007-2008, instead of next winter. He then commented that the gondola from Base Village to Elk Camp would be ready for ski season 2006-2007. Lower Carriage Way Road will be closed for six weeks, beginning April 17, 2006, to allow for the construction of utilities that need to be placed under this road. The Town is also requiring the developer to change from the use of only tracking pads to adding cleaning pads and possibly paved sections off road to minimize the transfer of mud and dirt from construction vehicle tires from the development sites onto the public roads. Mr. Novo asked about specific plans for any closures of Wood Road for its realignment. Mr. O'Connor replied that the developer could build the new Wood Road alignment without much impact upon the current alignment. Once the new stretch of road goes in, Mr. O'Connor advised that tie in to the existing road with the new road alignment should occur in a single day. Mr. Garon asked about hours of construction and noise impacts. Mr. O'Connor replied that the developer would build within the time constraints of the local code, which means that work will begin at 7:00 AM. The developer will try to limit the noisier work to begin later in the morning, such as drywall and nail gun work. Mr. Garon asked about screening walls, and Mr. O'Connor noted that they will use that technique, but safety concerns limit how many screening walls can be used, as gusty winds can blow them down. Mr. Klein asked about hours of operation for lifts that are

adjacent to The Enclave, and Mr. Blumenthal commented that the next presenter, Mr. Gerdin, could better answer that question as a SkiCo representative. Mr. O'Connor then commented that the phasing of structures coming on line had been changed to bring more residential units on line at an earlier time to balance the introduction of the commercial properties into inventory. The pool should be built in the summer of 2008. The clinic is to be relocated into the center of the Base Village and will be converted from a winter season only medical facility to a fully functioning, year-round medical facility with dedicated parking spaces in the new garage.

Mr. Blumenthal introduced Mr. Victor Gerdin and advised the members that the Board has met on a number of occasions with Mr. Gerdin to work out the details of regrading the trail between The Enclave at the lower side, and Chamonix and The Crestwood at the upper side. The meetings also included discussions of the gondola cable alignment and the location of the turn station. Mr. Gerdin then took the floor to discuss these plans. Mr. Gerdin commented that the gondola mid-station is a 27% turn and follows the existing Funnel chair alignment. He also commented that the tower and cable alignment from Wood Road to the turn station is midway between the properties above, Chamonix and Crestwood, and the property below, Enclave, so that no property is more adversely impacted than another. Mr. Gerdin also discussed the relocation and height increase of the bridge over Wood Road to allow better truck traffic flow on this street. Raising the bridge will necessitate adding some fill and regrading of the ski trail above The Enclave to have a constant slope of 8% to facilitate constant down hill movement returning to Base Village, particularly snow boarders. Top to bottom time is approximately 8.5 minutes for the gondola, which has an eight (8)-person capacity. The realigned Assay Hill chair will be a fixed grip quad chair lift with a top to bottom time of about 4 minutes. Mr. Garon asked if there was any opportunity to make the location of the turn station less impactful to The Enclave. Mr. Gerdin replied that, to keep the cable equidistant between the properties, there is not an opportunity to move the turn station further up-mountain. Mr. Blumenthal then asked Mr. Gerdin to discuss why the turn station could not be moved further east and south. People loading the gondola must be on the outside corner of the turn station, as the cable runs clockwise, and people cannot cross under the cable to get to the loading station. Also, the speed of the cable going around the inside corner is too fast to detach the gondola cab, open the door, and load the cab before reattachment.

Mr. Klein asked about hours of operation for the Assay Hill lift, in that currently the lift opens at 9:00 AM and closes at 3:30 PM. Once the traffic increases on this hill, Mr. Klein commented that increased hours of operation to start earlier and end later to accommodate demand would be nice. Mr. Blumenthal asked Mr. Gerdin to notify Mr. Mackenzie of the SkiCo about this request.

## 7. 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. Blumenthal made a motion to waive the outside appraisal requirement for fiscal year 2005-2006. Mr. Lustberg seconded, and the motion passed.

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

Mr. Blumenthal commented that some Members at various times have been delinquent on payment of assessments. So that all members are aware, he commented that Association assessments are due upon receipt. Interest is levied at 1.5% per month after 30 days. The Board has instructed management that it may no longer waive interest payments for delinquent members. All Members are strongly encouraged to pay their assessments upon receipt, so that the Association can promptly pay its bills for operating, reserve, or special fund costs.

Mr. George commented that the unit rental contract includes language that allows SLC to transfer monthly rental unit proceeds from an individual owner's account with SLC to that same owner's assessment receivable account with the Association. Dr. Word made a motion to request that the management company eliminate this provision in the next rental contract period. Mr. Klein seconded, and the motion passed. Mr. George will advise the other two affected Associations, Woodrun Place and Chamonix, of the request and attempt to have the pertinent language removed from the rental contract.

Dr. Kliewer reported that someone had tried recently to break into his unit from the courtyard side through a bypass bedroom window. Mr. Blumenthal asked that a note to members alerting them to secure their units, including access sliders and windows for second and third floor units, be added to these minutes.

Mr. Novo brought up some of the electrical problems of the past year and recommended having an engineer check capacity and the current status on common wiring on the site. Mr. Porcaro commented that he has located a competent electrician who has started that process and will be replacing a breaker panel in the pool mechanical room. The Association will also be adding separate blower motors on the Jacuzzi lines to increase the airflow through the Jacuzzi jets. Mr. Porcaro is waiting on some replacement parts for the pool heater thermostat, which staff is operating manually at this time.

The annual meeting for next year will be at 4:00 p.m. on March 4, 2007: the first Sunday of that month.

#### 8. Adjournment

Mr. Novo made a motion to adjourn the meeting at 7:15 PM. Dr. Kliewer seconded, and the motion passed.

Respectfully submitted,

Mr. Oscar Novo, Secretary