

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

March 4, 2012

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, at Snowmass Village, Colorado at 4:03 P.M. Nonmembers Michael George and Joe Porcaro of Snowmass Lodging Company (SLC) were present for the entire meeting.

Members Present	Unit #	Points	Rental Non rental
Owen	101	1860	NR
Stiles	102	1170	R
Klein	105	1170	NR
Henderson	108	1545	R
Blumenthal	206/106/107	3885	NR, NR, NR
Burns	109	1170	NR
Lustberg	204	1170	NR
O. Novo	207	1545	NR
Barford	208	1545	NR
Kliwer	212	1170	NR
Fisher	311	1170	NR

Members Present by Proxy	Unit #	Points	Proxy given To
Canfield	110	1545	R O. Novo
G. Novo	203	1170	NR O. Novo
Eldean	205	1170	R Blumenthal
Wiener	211	1170	R Blumenthal
Kaufman	213	1545	NR Blumenthal
Word	304	1170	NR O. Novo
Fiasse	306	1170	R O. Novo
Rimland	310	1545	R O. Novo

---

TOTAL: (27,885 / 53,315 = 52.3%)

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, 2011, meeting.

M

Management had previously posted the minutes of the March 6, 2011, meeting. Mr. Lustberg made a motion to waive the reading of the minutes and approve them as written. Mr. Stiles seconded, and the motion passed.

#### 4. Report of Officers

Mr. Blumenthal fielded questions from the members regarding Snowmass Village in general, the status of base village, and the local economy. Mr. Blumenthal noted that the Silvertree section of the mall is expected to undergo extensive renovations starting this spring. The hotel property is to be rebranded as a Westin. He does not expect the parts of the mall owned by Related to undergo extensive work in the near term.

#### State of the Property

Completed projects last year and through this fall

1. Completed projects
  - A. Replaced one of the pumps on the snowmelt system
  - B. Isolated snowmelt system leaks at west parking area
  - C. Completed energy efficiency audit and performed efficiency and safety measures in units, such as sealing air leaks, installing low flow aerators on sink fixtures and shower heads and radon testing in four of the ground floor units.
  - D. Stained and painted various sections of the building
  - E. Performed annual test and inspection on the fire alarm system
  - F. Performed annual safety inspection on elevators
  - G. Re-carpeted elevator cabs
  - H. Repaired pool leak which involved concrete and snowmelt repairs.
  - I. Replaced the pool and spa boilers
  - J. Purchased a new pool cover and roller
  - K. Cleaned all fireplace flues
  - L. Increased Internet capacity and speed
  - M. Replaced a large window that had cracked in 301
  - N. Performed routine testing of emergency lights and replaced 3 fixtures that were not working properly

#### Financial Position

The Association is undergoing its outside audit at this time and expects neither adjusting entries nor negative management comments. The completed audit will be made available to any member upon request. The Association began the 2011-2012 fiscal year with an unaudited Operating Fund surplus of \$9,576.04 and budgeted to use this surplus in its entirety.

Current year operations through the first four months show an operating surplus to budget of \$4,151, with YTD savings against budget, primarily in Insurance premiums and Gas, with other line item variances offsetting.

There are four units with delinquent receivables, as of the meeting date. Mr. Porcaro has contacted them to request that they bring their accounts current.

The Reserve Fund (unaudited) at fiscal year-end 2010-2011 was \$769,528, and it is budgeted to grow to \$800,484 by end of fiscal year 2011-2012.

#### 5. Election of Directors

Mr. Blumenthal noted that this year four Board seats are open for election – those held by Mr. Blumenthal, Mr. Klein, Mr. Garon, and Dr. Word. Dr. Word has advised that he is not running for re-election. The other three incumbents are all running for re-election, and Mr. Henderson, owner of EN108, has also declared his candidacy. 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. Mrs. Lustberg made a motion to nominate the slate of candidates, and Mr. Owen seconded. As the candidates ran unopposed, there was no need to do a paper ballot.

Mr. Blumenthal, Mr. Klein, Mr. Garon, and Mr. Henderson were elected to the Board.

#### 6. Old Business

##### Insurance

The Enclave continues to be insured under a master policy that includes Woodrun Place and Chamonix. The master policy allows these three properties to share in their combined, aggregate replacement value for the purposes of paying for a claim, while maintaining separate claims history evaluations. The aggregate replacement value of all three properties under the master policy is \$91,736,099.

Of this amount The Enclave has an allocated replacement property limit of \$28,089,810. Under just its allocated limit the Association has average replacement coverage of roughly \$445.87 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. Increased costs of construction are separate from the property limits at \$2,000,000 under the building and ordinance section of the Package coverage. Demolition has a limit of \$500,000, separate also from the property limits. For fiscal 2011-2012 the Association purchased a minimum worker's compensation policy, primarily to protect against uninsured subcontractors working on site who might become injured.

The Association purchased an outside appraisal during December 2008 for \$250. The results of that appraisal yielded a projected replacement cost of \$320.55 per square foot. This estimate of replacement cost excludes at least site excavation, foundation and site drainage systems, and soft costs.

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.

#### Status of snowmelt leak

This winter we discovered new leaks in our driveway snowmelt system. The Association has deferred on these repairs until spring.

#### Status of pool leak

The pool leak has been repaired.

### 7. New Business

Mr. Porcaro presented some information of the rough costs of replacing the current front and common area door locks. The members requested that management present a plan to replace the front and common area door locks, and management will also investigate whether or not the storage doors adjacent to the front doors can also accept new locks compatible with a new key system.

Mrs. Lustberg asked that the Board continue reviewing the CORE energy report recommendations for feasibility and practicality. Management staff will first focus on a proposing a plan to perform remedial insulation and waterproofing work in the crawl spaces under the building.

Mr. Owen discussed some preliminary ideas about a potential relocation of the exercise

room and adjacent spaces. He will have an architect present some sketch plans to the Board and the members. Management will make any information retained from prior planning session available to him. Of concern, perhaps as much as re-design of the current bike/pool furniture seasonal storage space, are the limitations of the current property and physical plant, as they relate to access to this area by any construction equipment.

The members also expressed their individual opinions about the aesthetics of the property. There was general agreement among the members that investment in continued maintenance was important, but there was little support for near term investment in changing the aesthetics of the building.

#### Motion to Ratify the Acts of the Board and/or Directors

Mr. Lustberg made a motion to ratify the acts of the Board and/or Directors for the last year. Mr. Owen seconded, and the motion passed.

#### 8. Adjournment

Mrs. Klein made a motion to adjourn the meeting at 6:24 PM. Mr. Owen seconded, and the motion passed.

Respectfully submitted,

  
Mr. Oscar Novo, Secretary

