

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL OWNERS MEETING

March 6, 2011

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 4:00 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
Blumenthal	206/106/107	3885	NR, NR, NR
Burns	109	1170	NR
Lustberg	204	1170	NR
Novo	207	1545	NR
Barford	208	1545	NR
Kliewer	212	1170	NR
Fisher	311	1170	NR

Members Present by Proxy	Unit #	Points	Proxy given To
Canfield	103/110	2715	R,R Novo
Jacobs	201	1860	R Blumenthal
Kaufman	213	1545	NR Blumenthal
Oleshansky	302	1170	NR Novo
Word	304	1170	NR Novo
Rimland	310	1545	R Blumenthal

TOTAL: (25,860/53,315 = 49 %)

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 7, 2010, meeting.

Management had previously posted the minutes of the March 7, 2010, meeting. Mr. Fisher made a motion to waive the reading of the minutes and approve them as written. Mr. Novo 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, the local economy.

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. Replaced one of the DHW pumps
 - C. Isolated snowmelt system leak at west parking area
 - D. Stained and painted the entire back section of the building
 - E. Sealed exposed aggregate hardscape
 - F. Performed miscellaneous siding repairs
 - G. Performed annual test and inspection on the fire alarm system
 - H. Purchased a new pool cover
 - I. Demolished a section of the concrete pool deck, troubleshooting for pool leak
 - J. Performed drainage work in the crawl space
 - K. Re-carpeted elevator cabs
 - L. Installed fire alarm sounders in all units
 - M. Cleaned all fireplace flues and dryer vents
 - N. Performed annual safety inspection on elevators
 - O. Re-decorated the lobby. (new carpet, blinds, wallpaper, artwork and computer)
 - P. Performed maintenance and repairs in the Association rental unit, Enclave #100. (new carpet, paint, stove and refrigerator)
 - Q. Increased Internet capacity and speed

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 prior fiscal year with an unaudited Operating Fund surplus of \$28,719.07, and budgeted fiscal 2009-2010 to use this surplus in its entirety. The actual Operating Fund deficit for fiscal 2009-2010 (unaudited) was \$14,359.22, so the Association is carrying the remaining surplus forward, excluding a Board approved transfer of \$2,300 that was added to the Pool Replacement line item in the Reserve Fund.

Current year operations through the first four months show an operating surplus to budget of \$7,287, with YTD savings against budget, primarily in Insurance premiums, Electric, and Gas.

There are three units with delinquent receivables, as of the meeting date. Mr. Porcaro has contacted them to request that they bring their accounts current. One member is responsible for two delinquencies, and he advised Mr. Porcaro that he has since mailed his payments. The remaining delinquency is for an old interest charge of less than \$150.

5. Election of Directors

Mr. Blumenthal noted that this year two Board seats are open for election – those held by Mr. Novo and Mr. Kaufman. Both have indicated a desire to run for re-election to the Board. 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. Lustberg made a motion to nominate the slate of candidates, and Mr. Hilsinger seconded. As the candidates ran unopposed, there was no need to do a paper ballot.

Mr. Novo and Mr. Kaufman 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

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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 2010-2011 the Association purchased a minimum workers 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.

Management will send separate correspondence to the members about insurance, and management will also investigate the costs of providing coverage for betterments and improvements at the association, rather than the individual, level.

Mr. Blumenthal asked that management provide contact numbers in units for after hours information.

Status of snowmelt leak

Last winter we discovered and located the approximate source of a leak in our snowmelt system on the east driveway. Repair will involve demolition of some concrete. The Association has deferred on this repair at this time, as the operational costs of occasionally shoveling this small driveway section are relatively inexpensive.

Status of pool leak

Despite significant efforts to date, we have been unable as of yet to locate the source or sources of water loss from the pool. Our most recent investigation involved concrete (without snowmelt) demolition at the east end of the pool. The next step will be to demolish more concrete (this time, snow-melted), to try to expose the source of water loss, which by process of elimination is most likely between the pool equipment room and the east side of the pool. Costs to continue the investigation and repairs are indeterminate at this time.

7. New Business

Mr. Klein asked on behalf of Mr. Kaufman whether or not the annual meeting date should be considered for a change. After discussion the attending members decided to leave the annual meeting in March of each year. The annual meeting will be at 4:00 p.m. on March 4, 2012, which is the first Sunday of that month.

Mrs. Lustberg asked that management solicit updated contact information for all and also ask if any members want this information kept private or not.

Mr. Blumenthal asked about the billing system. Mr. George advised that management continues to try to obtain improvements to the software. He expects that the supplier will make some improvements between now and the summer season.

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

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

8. Adjournment

Mr. Novo made a motion to adjourn the meeting at 6:00 PM. Mr. Klein seconded, and the motion passed.

Respectfully submitted,



Mr. Oscar Novo, Secretary