

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL OWNERS MEETING

March 1, 2009

1. Roll call and certification of proxies

Mel Blumenthal, President of the Association, called the meeting to order in the meeting room of The Crestwood, 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. Nonmembers Mike O'Connor and Bob Kaufmann of ROI; Dwayne Romero and Scott Stenman of Related/West Pac; and Rick Griffin from Joshua & Company were also present.

Members Present	Unit #	Points	Rental Non rental
Klein	105	1170	NR
Blumenthal	206/106/107	3885	NR, NR, NR
Henderson	108	1545	NR
Burns	109	1170	NR
Branner	202	1170	R
Novo	203	1170	R
Lustberg	204	1170	NR
Novo	207	1545	NR
Barford	208	1545	NR
Torelli	210/312	2715	R, R
Kliewer	212	1170	NR
Kaufman	213	1545	NR
Threshie	301	1860	NR
Word	304	1170	NR
Fisher	311	1170	NR

Members Present by Proxy	Unit #	Points	Proxy given To
Losi	104	1170	NR Blumenthal
Matthew	113	1545	NR Blumenthal
Jacobs	201	1860	R Blumenthal
Eldean	205	1170	R Blumenthal
Duvoisin	209	1170	R Novo
Oleshansky	302	1170	NR Novo
Fiasse	306	1170	NR Novo
Rimland	310	1545	R Novo

TOTAL: (34,800 /52,515 = 66 %)

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 2, 2008, meeting.

Management had previously distributed the minutes of the March 2, 2008, meeting. Mr. Fisher made a motion to waive the reading of the minutes and approve them as written. Mrs. Lustberg seconded, and the motion passed.

4. Report of Officers

State of the Property

Completed projects last year and through this fall

1. Completed projects

- A. Replaced pool pump and a section of the spa piping
- B. Replaced one of the snowmelt pumps
- C. Repaired leak in water line under the building
- D. Repaired and painted balcony railings and railing caps
- E. Repainted balcony band boards
- F. Performed miscellaneous siding repairs
- G. Performed annual test & inspection on fire extinguishers
- H. Performed annual test & inspection the fire alarm system
- I. Snow removal from roofs/ repaired minor roof leak
- J. Re-carpeted elevator cabs
- K. Purchased new pool cover
- L. Installed fluorescent bulbs in all grounds & walkway fixtures
- M. Sealed exposed aggregate/pool decks & main entry stairs
- N. Repaired walkways where overlayment was failing
- O. Replaced old holiday tree lights with LED lights
- P. Performed Insurance appraisal

Financial Position

The Association is undergoing its outside audit at this time and expects no adjusting entries or negative management comments. The completed audit will be made available to any member upon request. The Association ended the prior fiscal year with an unaudited Operating Fund surplus of \$15,176.97, prior to fund transfers and an accrual of an incentive for staff. The Operating Surplus by vote of the Board was allocated as follows:

Reserve Fund	\$10,618.97
Renovation/Expansion Project Fund	\$1,000.00
Staff Incentive Accrual	\$3,558.00

The Association finished the prior year with \$30,931 in the Deferred Painting Fund. The association has spent \$26,212 between October and December 2008 on exterior staining/painting, primarily on rails.

Current year operations through the first four months show an operating surplus to budget of \$9,347 – essentially for an Insurance rebate and lower Gas and Water costs than expected YTD, with other line item variances offsetting.

5. Election of Officers

Mr. Blumenthal noted that this year four Board seats are open for election – those held by Mr. Blumenthal, Mr. Garon, Mr. Klein, and Dr. Word. Each of these four members has 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. Fisher made a motion to nominate the slate of candidates – Mr. Blumenthal, Mr. Garon, Mr. Klein, and Dr. Word - and Mr. Kaufman seconded. Mr. Porcaro passed out ballots for the attendees to use for the vote, as a state law requires that votes for Board seats must be done by secret ballot.

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

6. Old Business

Insurance

The Enclave now is 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 \$83,330,810.

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 2008-2009 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.

Mr. Fisher will oversee checking the local market for quotes from various brokers for the next fiscal year's insurance policy. He noted that he will begin this process in June 2009.

SLC unit management contracts

Unit owners have now returned 37 of 39 unit management contracts – nonrespondents to date are 112, and 205. Mr. Blumenthal reminded the members that SLC will only issue inducement rebates to those owners who have returned either an executed rental or nonrental unit management contract. In order to receive the inducement, members must return their signed contracts by April 30, 2009.

Building Renovation and Potential Expansion Plan

Mr. Kaufman and Mr. O'Connor provided a handout to the members about the current state of their development proposal. At this point in time they are still interested, but they have not identified any source of financing.

Mr. Blumenthal advised that all such plans are now on hold in the current weak economic climate.

7. New Business

The annual meeting for next year will be at 4:00 p.m. on March 7, 2010, which is the first Sunday of that month.

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. Barford seconded, and the motion passed.

Mrs. Klein and Mr. Porcaro both noted that during periods of high occupancy, the property does not have enough hot water capacity. Mr. Porcaro is working with a local plumber to try to improve the situation.

There is a new law requiring carbon monoxide detectors in residences in Snowmass Village. Mr. Porcaro will coordinate the purchase and installation of the devices, which are mandatory, and the costs of the work will be billed to individual unit owner statements. If any members intend to purchase and install their own units, they must advise Mr. Porcaro in writing before April 5, 2009.

Mr. Griffin advised that the real estate market has slowed considerably, with most sales in 2008 occurring for base village properties. Other property owners in Snowmass Village have held firm on pricing, for the most part, to date. He believes that Snowmass Village will be one of the first real estate markets to recover in the U.S.

Mr. Romero advised that, as financing was still in place for the Viceroy, his company intended to proceed with construction of its next phase, despite weak demand. His company is currently financing construction costs of the Little Nell in house, but the company recently received approvals from the Town of Snowmass Village for plan changes to its project, and Mr. Romero expressed confidence that they will be able to source external financing soon. He also commented that Related Westpac had committed to completing the Base Village transit center facilities in the arrival center building in time for the opening of the 2009-2010 ski season as well as installing a temporary exterior façade for the arrival center.

Mr. Torelli will organize a rental owners committee to discuss rental owner issues and report to the Board.

8. Adjournment

Mr. Henderson made a motion to adjourn the meeting at 6:33 PM. Mr. Kaufman seconded, and the motion passed.

Respectfully submitted,

Mr. Oscar Novo, Secretary