

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL OWNERS MEETING

March 7, 2010

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 4:05 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
Stiles	102	1170	R
Klein	105	1170	NR
Blumenthal	206/106/107	3885	NR, NR, NR
Burns	109	1170	NR
Shrewsbury	111	1170	NR
Lustberg	204	1170	NR
Novo	207	1545	NR
Barford	208	1545	NR
Kiewer	212	1170	NR
Word	304	1170	NR

Members Present by Proxy	Unit #	Points	Proxy given To
Canfield	103/110	2715	R, R Novo
Chomsky	112	1170	R Blumenthal
Matthew	113	1545	NR Klein
Novo	203	1170	NR Novo
Eldean	205	1170	R Blumenthal
Wiener	211	1170	R Blumenthal
Oleshansky	302	1170	NR Novo
Hart	303	1170	R Blumenthal
Kerpsack	305	1170	R Blumenthal
Rimland	310	1545	R Kaufman
Fisher	311	1170	NR Blumenthal

TOTAL: (30,330/52,515 = 58 %)

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 1, 2009, meeting.

Management had previously distributed the minutes of the March 1, 2009, meeting. Mr. Novo made a motion to waive the reading of the minutes and approve them as written. Mr. Word seconded, and the motion passed.

4. Report of Officers

Mr. Blumenthal commented that the Viceroy is open and operating. Dr. Kliewer asked about the future of the Viceroy. Mr. Blumenthal replied that, while he is complimentary of the operator, the future construction plans to complete the other Viceroy structures are indeterminate. The Viceroy parent company does not have any equity in the venture.

The base village structures enveloped in plastic this winter may be purchased in the near term by a third party. The arrival center construction is expected to start back up this spring, using bond proceeds available from the insurer for the default of the developer on construction obligations.

State of the Property

Completed projects last year and through this fall

1. Completed projects

- A. Installed a bigger pump on our domestic hot water system
- B. Repaired leak in snowmelt system on front stairway
- C. Painted the posts and beams along the walkways on the courtyard side of the building. The staining and painting of the entire back section of the building is planned for the spring of 2010
- D. Sealed exposed aggregate hardscape
- E. Performed miscellaneous siding repairs
- F. Performed annual test and inspection on all fire extinguishers and fire alarm system
- G. Purchased new pool and spa covers
- H. Purchased new automatic vacuum for pool
- I. Installed pool auto water fill for the pool
- J. Installed federally mandated anti entrapment shutoff valves and drain grates in pool and spa
- K. Repainted the pool and repaired waterline tiles
- L. Repaired walkways where the over-layment was failing
- M. Installed solar lamps on both ski access stairways
- N. Re-carpeted elevator cabs

- O. Minor exercise equipment repairs
- P. Installed CO detectors in all units at owners expense
- Q. Performed first annual safety inspection on elevators

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 \$28,719.07, which the Board approved to be carried forward and incorporated into the Operating Fund for fiscal 2009-2010.

Current year operations through the first four months show an operating surplus to budget of \$1,546 – essentially in line with budget.

There is one member with a delinquent assessment receivable prior to March 2010. Mr. Porcaro has contacted that party, and she has advised that she has mailed her payment. The other unpaid receivables are for minor interest charges for late payments of account balances amounting in the aggregate to \$250.

5. Election of Directors

Mr. Blumenthal noted that this year one Board seat is open for election – that held by Mr. Fisher. Mr. Fisher 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. Lustberg made a motion to nominate Mr. Fisher, and Mr. Barford 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. Fisher was 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 2009-2010 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.

7. New Business

Radon Testing

The Association recently performed radon testing. The test results are well below the range for concern.

Status of snowmelt leak

In February we discovered a leak in our snowmelt system on the east driveway. Our plumber added shut off valves to the eight loops in that zone, and we were able to isolate the loop with the leak. The next step in repairing the leak is to have the line scoped and to determine the location of the leak. Repair would involve demolition of some concrete. However, costs are indeterminate until we can isolate the actual location of the leak and obtain repairs estimates.

Status of pool leak

Recently we noticed that the pool has been losing about an inch and a half of water a day. Since there is no visible water leak, we have been trouble shooting the problem. We suspect through the process of elimination that the leak is in the return line on the bottom of the deep end of the pool. Once we ascertain this, we will also need to scope this line to determine the actual location of the leak and then obtain estimates of the cost of the repairs.

Mr. Porcaro discussed the state of the fire alarm system, in that there was an exhaust fire in a boiler. However, the alarm system did not wake all of the tenants, so the Association is researching improvements and upgrades that would enhance the system.

Mrs. Lustberg asked about the feedback form that Association members were asked to return this last year. Mr. Blumenthal asked that management issue the form after each summer and winter season, compile the comments, and return them to the Board.

Mr. Klein wanted to thank Mr. Porcaro for responding very quickly to all of his requests.

Mr. Lustberg also thanked Mr. Porcaro for helping with requests regarding grooming of the lower east side ski trail. Mrs. Lustberg thanked Mr. Blumenthal for keeping abreast of all of the local issues

Mr. Blumenthal thanked Mr. Porcaro for keeping up with shoveling of the stair access to the slopes.

The annual meeting for next year will be at 4:00 p.m. on March 6, 2011, which is the first Sunday of that month.

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

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

8. Adjournment

Mr. Klein made a motion to adjourn the meeting at 5:20 PM. Mrs. Lustberg seconded, and the motion passed.

Respectfully submitted,

Mr. Oscar Novo, Secretary