

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL HOMEOWNERS MEETING

March 8, 2020

1. Roll call and certification of proxies

Mel Blumenthal, President of the Association, called the meeting to order in the meeting room of Woodrun Place in Snowmass Village, Colorado at 3:30 P.M. Non-members Mike George, Paul Parkerson, Bill Anderson, and Alan Cardenas from Vacasa were also present. Bob Sirkus, Town of Snowmass Village Councilmember, was present for the start of the meeting.

Members Present	Unit #	Points	Rental = R Non rental = NR
Stiles	102	1170	R
Klein	105	1170	NR
Blumenthal	106/107/206	3885	NR/NR/NR
Burns	109	1170	NR
Barford	208	1545	NR
Handler	213/312	2715	R/NR
Patenaude	212/313	2715	R/NR

Members Present

By Proxy	Unit #	Points		Proxy given to
Losi	104	1170	NR	S. Handler
Team Black	113	1545	NR	S. Handler
Jacobs	201	1860	R	M. Blumenthal
Kwarciak	202	1170	NR	M. Patenaude
Eldean	205	1170	R	M. Blumenthal
O. Novo Sr.	207	1545	R	O. Novo Jr.
Duvoisin	209	1170	R	O. Novo, Jr.
Smith	302	1170	NR	S. Handler
Shifman	308	1545	R	L. Garon
Crowe	310	1545	R	M. Blumenthal
Fisher	311	1170	NR	L. Garon

Members Present

By Phone	Unit #	Points		Proxy given to
John Henderson	108	1545	NC	
Lee	110	1545	R	
Weybright	111/211	2340	NR	
G. Novo	203	1170	NR	
Lustberg	204	1170	NR	S. Handler
O. Novo, Jr.	303	1170	R	
Word	304	1170	NR	

TOTAL: (41,400/52,515 = 78.83%)

Verification of the signed proxies established that the required quorum of one-third (33%) of Enclave owners by square footage was achieved.

2. Proof of notice of meeting

Paul Parkerson presented proof of notice of meeting.

3. Reading and approval of minutes of March 3, 2019, meeting.

Management had previously posted the minutes of the March 3, 2019, meeting on the slcassoc.com website. Mr. Klein made a motion to waive the reading of the minutes and approve them as written. Mr. Stiles seconded, and the motion passed.

4. Presentations

Town of Snowmass Village

Mr. Blumenthal introduced Mr. Sirkus. Mr. Sirkus updated the attendees on improvements that have occurred in Snowmass Village over the past year. He also reported on upward trends, year over year, for sales tax collections and occupancies, which he attributed in part to the strong snowfall during the prior year providing momentum for the current winter.

Mr. Sirkus stated the town completed the purchase of the Carriage Way affordable housing apartments this year and is planning for possible infill expansion over the long term. Currently there is a twelve unit affordable housing project under construction behind the recreation center adjacent to Rodeo Place. The TOSV's goal is to have 200 new affordable housing units. Studies are currently underway to find the locations for these units. He also reported that discussions about redevelopment of the Snowmass Center are underway, including doubling the size of the current post office.

Mr. Sirkus then discussed TOSV and county preparedness and plans regarding COVID-19 or other situations that might require a large-scale community response.

Mr. Handler asked about expectations regarding parking. Mr. Sirkus replied that the various developments under consideration undergo review processes according to town codes. The base village development already has parking for both existing structures and future projects. Parking for the proposed Snowmass Center is yet to be determined, and they are studying potential underground parking for the structure. Mr. Sirkus also mentioned that owners of Base Village properties/units are not allowed to leave vehicles permanently on-site.

Mr. Parkerson asked if, since the Disabled American Veterans annual event has been cancelled, if Mr. Sirkus knew about any other major, expected, winter 2019-2020 season cancellations, or if the SkiCo had any plans to shorten the ski season. Mr. Sirkus replied that he was unaware of any such issues.

Mrs. Patenaude asked about employee housing plans for people who might not be qualified for subsidized housing, but who may be using those facilities and limiting access by qualified employees. Mr. Sirkus advised that the community has certification processes for those using employee housing that should help to address any misuse of these community resources. It is possible that people meet the criteria, and then over time exceed the criteria, but the housing department regularly reviews the current information of affordable housing tenants. Mr. Blumenthal mentioned that issues of retirement are starting to appear. Mr. Sirkus said that the housing department is aware of this issue, and that they are formulating plans to deal with this matter, including asking people who have family units that are now bigger than the current occupancy to downsize to a smaller unit.

Rental Program

Mr. Anderson introduced Mr. Cardenas from Vacasa. Mr. Cardenas presented a rental program performance report and marketing plan. Year over year annual performance, and winter season quarter one performance numbers for the co-op rental program are very strong overall, and also very strong for The Enclave. The presentation from Mr. Cardenas is available in conjunction with these minutes for any member who would like a copy. Vacasa managed Snowmass properties continue to produce superior results to the Snowmass competitive set and are a reflection of the consumer's perceptions of the value of a vacation stay at The Enclave or any other Vacasa-managed Snowmass properties, based upon the following criteria -

- Location
- Unit furnishings
- Services
- Amenities

5. State of the Property

Completed projects last year and through this fall

1. Completed projects

- Repaired spa auto-fill control
- Performed annual test and inspection on the fire alarm system
- Performed annual fire extinguisher tests - recharged and replaced, as needed
- Installed concrete ramp to East side of pool deck
- Upgraded radio communications network

- Minor repairs to industrial laundry machines
- With Co-Op, built two new employee living spaces at Woodrun Place, to be shared by all Co-Op employees
- Repaired three damaged sections of common area walkways
- Repaired snowmelt wiring
- Replaced employee unit door damaged by bear
- Replaced flow switch for driveway boiler
- Repaired two faulty outlets on walkway lights
- Repaired all walkway lights
- Repaired lobby boiler
- Repaired two damaged walkway handrails
- Replaced lattice near the bicycle storage room
- Replaced main drain valve of swimming pool
- Replaced most of the Christmas lights
- Painted exterior elevator panels
- Painted west side second and third story exterior near 201 and 301
- Painted damaged parking posts
- Re-stained all property benches
- Cleaned interior and exterior of windows
- Inspected and clean chimneys
- Inspected the retaining wall to ensure it is remaining integrity
- Performed annual pool boiler system flush, boiler pressure vessel certification, and backflow preventer inspection
- Performed annual roof inspection and maintenance

2. Projects proposed to be completed this 2019/2020 fiscal year

- Investigation of meter room replacement door options and shed roof water diversion system at East end of parking structure by 307 parking slot.
- Investigation of re-plastering the pool
- Radon testing for the property

6. Financial Position

Unaudited actual HOA financial results were on budget for fiscal 2018-2019.

The external audit of the Association is presently underway. The completed audit will be made available to any member upon request.

Current year operations through the first four months show The Enclave to have a \$1,674, or 1%, surplus to budget, with various line item variances essentially offsetting.

There are three delinquent owners at present on assessment receivables. Management

has contacted each of them and requested payment. EN301 owes \$254, and EN309 owes \$5,364, as of February 25, 2020.

The main Reserve Fund (unaudited) at fiscal year-end 2018-2019 amounted to \$571,329. The Arrival Center Reserve Fund (unaudited) amounted to \$97,658.

7. Report of Officers

Phase II Entitlement Renovation/Development & Soft Costs (RSC)

In order to obtain final Town of Snowmass Village approval for the Enclave's proposed renovation/development project, the Board at its meeting on January 15, 2019 approved further expenditures totaling up to \$213,000. The expenditures are to be made from the overall Reserve Fund and replaced via a series of annual special assessments that are scheduled to occur in fiscal years 2020/2021, 2021/2022, and 2022/2023. Cumulative costs through 02/25/20 covering entitlements, architectural services, legal services, etc., for renovation work already completed for these efforts amount to \$556,169. Funding via approved assessments or surplus transfers to date (including those approved on 01/15/19 by the Board for fiscal years 2020/2021, 2021/2022, and 2022/2023) amount to \$621,732 – leaving a present remaining budget for these efforts of up to \$65,564.

The members then had an extended discussion about the merits, or lack thereof, of continuing investment into the development project.

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 \$96,109,774.

Of this amount, The Enclave has an allocated replacement property limit of \$29,800,479. Under just its allocated limit the Association has average replacement coverage of roughly \$479 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 there have been any upgrades or improvements to a Unit and/or its contents, the owner needs to insure the value of those upgrades and/or contents. The Board advises each and every owner to have his insurance agent review existing association and 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 \$1,000,000 under the building and ordinance section of the Package coverage. Demolition has a limit of \$1,000,000, separate also from the property limits. For fiscal 2019-2020 the Association purchased a minimum premium worker's compensation policy, primarily to protect against uninsured subcontractors working on site who might become injured.

At the request of Mr. Gil Novo at last year's meeting, management obtained answers regarding how much savings the co-op master policy affords The Enclave. At present coverages, the amount saved is \$110,000 annually.

John Wilkinson of Aspen Neil-Garing 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.

8. Election of Directors

Mr. Blumenthal noted that this year two Board seats are open for election. One is currently held by Oscar Novo, Jr., who has indicated that he is running for re-election. The other is held by Rhonda Shrewsbury Weybright, who has indicated that she is not running for re-election. Mr. Blumenthal noted that Larry Lustberg, owner of EN204 has announced his candidacy for the open Board position. Mr. Blumenthal asked if there were any other members present who wished to declare candidacy for the Board of Directors at this time. Mr. Blumenthal then closed the nominations. Mr. Parkerson then circulated ballot forms for the use of the attendees and proxy holders.

Mr. Novo, Jr. and Mr. Lustberg were each elected to a three year term.

9. Old Business

Intensity of Use Survey

In Fall of 2018, The Enclave Board commissioned management to conduct an Intensity of Use Survey to determine the use of the property and shuttle service by non-renters vs. renters. The survey was conducted from 12/10/18 to 10/10/19. The results were released to a committee consisting John Henderson, Rhonda Shrewsbury Weybright, Marc Patenaude, Larry and Lori Garon, Glen Fisher, Lonnie Klein, Oscar Novo, Jr. and Steven Handler. Mr. Handler presented the conclusions of the committee's findings to the members present. The presentation from Mr. Handler is available in conjunction with these minutes for any member who would like a copy.

Mr. George noted that the management company had invested thousands of dollars in time and effort over more than a year to assist the committee in its endeavors for this review. The HOA declaration defines how HOA costs are allocated among the membership – costs are allocated among the unit owners, based upon the sizes of the units. The concept under review – allocating some common costs according to the

number of people who occupy units, or the number of rental guests who occupy units - would result in a material change to the HOA's cost allocation methodology, and, therefore, the management company believes that the changes under consideration would require a declaration amendment process.

The management company analyzed all of the HOA income statement line items and provided its opinion about which line items result in incremental costs related to occupancy. However, in most, if not all, such instances, neither the infrastructure nor the current operating processes allow for accurate measurements, as to which persons use of the common elements or services actually results in line item incremental costs. For example, one assumes everyone occupying a unit takes showers, but no one knows how often, or for what duration. Those details influence the consumption of both gas and water, which are shared HOA expenses.

The Enclave HOA board and its membership are contracted with the management company in cooperation with Woodrun Place and Chamonix at Woodrun.

On the particular question of funding costs to transport laundry from Enclave back and forth to Chamonix, The Enclave Association has budgeted for and paid for these costs since the inception of its management agreement with SLC approximately 30 years ago. At this meeting, and at other Enclave board meetings that have occurred over the years, management has discussed the cost inefficiencies borne by The Enclave HOA for transporting linens between the two properties. At various annual and board meetings over the years, management has requested that The Enclave consider making a capital investment to build laundry facilities on site. The discussions have included details about how grey waste water could be stored and pumped out of the present maintenance and housekeeping areas, which was the only location identified on site that logically could house such facilities. The HOA has consistently declined to fund these capital costs, and management has then reminded the Enclave HOA that it bears the costs for transporting linens between Chamonix and The Enclave, and that Chamonix is not required to allow the use of its laundry facilities to support The Enclave.

At an Enclave annual meeting some years ago, the attendees agreed to fund repair and replacement costs to the laundry equipment at Chamonix on a split basis:

39	59%	Enclave
27	41%	Chamonix
66	100%	Total

The Enclave members understood that the use of this equipment for laundering their linens was a courtesy extended by the Chamonix HOA. When Mr. George asked about funding utilities for laundry or capital cost of space, the Enclave members at the time declined. There is no formal contract between The Enclave and Chamonix to document this cost sharing arrangement. When Mr. George asked the membership if it would like to enter into such an agreement, the membership declined.

The management company pays for laundry chemicals, labor costs to launder linens, and labor costs to move Enclave laundry to a single collection point on Enclave property. Management also pays for a transport vehicle – capital and operating costs – since it also uses the vehicle for other supporting services. The Enclave HOA pays for linen transportation costs between Chamonix and Enclave. As Chamonix and Woodrun

Place have on site laundry facilities, those two co-op partners do not bear transportation costs to move linens between any properties. The three HOA presidents – for Enclave, Chamonix, and Woodrun Place – drafted the unit management agreement with these intentions, as this has been the interpretation of the contract for decades concerning these matters.

In the opinion of management, the rental contract offered through the co-op by management contains credits and rebates that are generally not offered by local competing companies. The rental commission ratio billed is under average market pricing by 3-4%. The management company, therefore, declines to provide additional funding to pay for the referenced Enclave laundry transportation costs and, instead, stands by its earlier recommendation that the HOA consider billing a per occupied day or per occupant day use fee, if it would like to change its HOA common cost recovery methods.

If the Enclave would like to propose an amendment to the rental management and/or HOA contracts, the process is for the party making the change request to present it to the WCE committee. The WCE committee comprises the Presidents of the three co-op HOAs, Mike George, and an upper management representative. If the committee agrees to make the change, it is then made for use by all parties at all properties.

Mr. Handler recommended that the Enclave Board then take up consideration of this matter, and Mr. Blumenthal agreed that this would be an appropriate next step.

10. Staffing and Services

Management reports that staffing is at 88% of target, with 5.00 housekeeping, 2.60 guest service positions, and 2.00 maintenance positions open. Management continues to struggle to source housekeeping candidates, other than via a 3rd party provider. The available supply of job candidates for other line service positions at current compensation levels remains limited.

In an effort to improve on processes, standards and service etiquette, WVR increased the number of full-time year round guest service positions was increased from one to six. This year, the count was increased to seven, and former reservation specialist, Kristen Hennesey, rejoined the staff as a front desk supervisor to replace Kevin Mize. Mr. Mize was our former Enclave property manager. He recently rejoined the staff as a front desk supervisor and was promoted to replace Randy Boettler as the Woodrun Place Property Manager.

11. Report of Property Manager

Status of Snowmelt Leak

The three previously identified sections of the snowmelt system in the East driveway that have leaks remain turned off. Maintenance staff manually clears snow and ice from these sections, as needed. Our current plan is to replace these snowmelt sections as part of the

renovation project.

Roof

The new roof membrane has not had any discovered defects to date. The HOA has established that four feet of accumulated snow and ice was the maximum accumulation that should be allowed before shoveling is required. Alexander Roofing is the only company that can be contracted to perform this task, less the warranty be voided. The roof was shoveled in mid-February.

Retaining Walls

The Retaining Walls have been reviewed since 2014 by an engineer. The latest survey of the retaining walls, which was conducted in Spring of 2019 confirms that no movement has occurred during the previous two years. These retaining walls, according to our architect's advice, will need to be replaced in the near future. Due to the age and condition of our original garage roofs, replacement of these retaining walls should occur at the same time as replacement of those roofs. There is currently no line item funding within the Reserve for replacement of Retaining Walls.

Mr. Henderson at the prior annual meeting asked if insurance covered the retaining wall failing. When asked by management, the insurance broker advised that any determination of insurance coverage would depend upon the specific circumstances surrounding any specific claim incidence. Simple degradation and eventual failure of the structure due to age and time would not result in any funding via claim settlement. Conversely, if the wall suddenly collapsed and injured a person or damaged personal property, coverage might be provided under the liability policies.

Internet Upgrade

In Fall of 2018, The Enclave entered into a new agreement with Resort Internet, which would provide increased internet download and upload speeds for the property, at no additional cost. The increased speeds were contingent upon installation of a new fiber-optic cable to the area between Chamonix and Enclave, which was to be completed in Spring 2019 by Century Link. Due to unforeseen issues, the project was not completed before the early snowfalls of Fall 2019. The project is now slated to be completed Spring 2020. There have been no reported issues with current internet speeds, and The Association continues to receive financial credits negotiated when the agreement was initially signed.

Potential Future Problems

12. New Business

Other

Potential Future Problems

12. New Business

Other

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

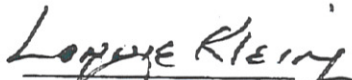
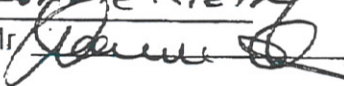
Mr. Barford made a motion to ratify the acts of the Board and/or Directors for the 2018-2019 fiscal year and through the date of this meeting. Ms. Burns seconded, and the motion passed.

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. Handler made a motion to waive the outside appraisal requirement for fiscal year 2019-2020, Mr. Klein seconded, and the motion passed.

13. Adjournment

Mr. Handler made a motion to adjourn the meeting at 6:58 PM. Mr. Blumenthal seconded, and the motion passed.

Respectfully submitted,


Mr. , Secretary

COMMITTEE REVIEW OF SLC'S INTENSITY OF USE STUDY

Committee

Steven Handler, Chair
Lori Garon
John Henderson
Marc Patenaude
Ronda Weybright
Oscar Novo, Jr.(ex-officio)

THE ASSIGNMENT

The Enclave Board asked that "a plan be proposed by management that could be used to allocate costs costs more equitably for the use of the common facilities."

Parkerson email, 12/6/19

Category -----	Ski Season -----	Summer -----	Total -----
Rentals	7966	3370	11,336
Nonrentals	3212	2309	5,521

Item -----	Gross Amount -----	Variable Amount(?) -----	Rental Excess -----
1. Gas	\$51,375	\$5,138	\$1600
2. Electric	\$39,689	\$2500	\$860
3. Water	\$38,444	\$2500	\$800
4. Trash(TOSV)	\$7,341	\$1657	\$570
5. Custodial	\$73,663		
Linen Service		\$26,400	\$26,400
Trash removal from units		\$26,411	\$11,000

“The management company pays for housekeeping within the units associated with rental stays-Neither the owners or the renters, at present, pay any housekeeping fees in this market for rental stay cleaning.”

George email, 1/11/20

- A. SLC's use of custodial personnel to perform rental unit laundry and trash removal services needs to be addressed by the board.
- B. Did SLC do the type of analysis the Board requested?