

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

March 14, 2021

1. Roll call and certification of proxies

Mel Blumenthal, President of the Association, called the meeting to order 3:05 P.M. Non-members Mike George and Paul Parkerson from Vacasa were also present.

Members Present	Unit #	Points	Rental Non rental	= R = NR
Dybala	101	1860	R	
Stiles	102	1170	R	
Klein	105	1170	NR	
Blumenthal	106/107/206	3885	NR	
Henderson	108	1545	NR	
Burns	109	1170	NR	
Weybright	111/211	2340	NR	
Kwarciak	202	1170	NR	
Lustberg	204	1170	NR	
Wilson	208	1545	R	
Duvoisin	209	1170	R	
Torelli	210	1545	R	
Mahoney	302	1170	NR	
Novo	303	1170	R	
Word	304	1170	NR	
Garon	307	1860	R	
Crowe	310	1545	NR	
Fisher	311	1170	NR	
Patenaude	313	1545	NR	

Members Present By Proxy	Unit #	Points	Proxy given to
Losi	104	1170	Lustberg
Hilb	112	1170	Blumenthal
Jacobs	201	1860	Blumenthal
Novo, G.	203	1170	Novo, O. Jr.
Novo, O	207	1545	Novo, O. Jr.
Kerpsack	305	1170	Blumenthal
Shifman	308	1545	Garon

TOTAL: (39,000/52,515 = 74.26%)

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 8, 2020, meeting.

Management had previously posted the minutes of the March 8, 2020, meeting on the slcassoc.com website. Mr. Dybala made a motion to waive the reading of the minutes and approve them as written. Mr. Lustberg seconded, and the motion passed.

4. Amendment to the Articles of Incorporation

Mr. Blumenthal read the proposed amendment to the Articles of Incorporation as follow:

**Exhibit A of Articles of Amendment**  
**The Enclave Association, Inc.**

A duly authorized attorney-in-fact of a Member may vote on behalf of a Member under the terms and conditions provided in a Special, Limited or General Power of Attorney as provided in the Bylaws of the Corporation.

A roll call vote of the attendees resulted in 72% approval of the amendment. The amendment passes.

5. Rental Program

**March 1st Monthly Winter Pace vs. Same Time Last Year:**

Below you will find an up-to-date snapshot of the property rental performance.

	<b>Enclave Place Occupancy % Change YoY</b>	<b>Market Occupancy % Change YoY</b>	<b>Enclave Place ADR % Change YoY</b>	<b>Market ADR % Change YoY</b>	<b>Enclave Place Revenue per available night % Change YoY</b>	<b>Market Revenue per available night % Change YoY</b>
Nov	283%	-2%	-17%	22%	216%	20%
Dec	24%	-16%	-28%	-5%	-11%	-20%

Jan	-35%	-58%	-15%	-5%	-45%	-60%
Feb	4%	-51%	-20%	4%	-17%	-49%
Mar	146%	-47%	-17%	12%	103%	-40%
Apr	0%	-52%	0%	37%	0%	34%
<b>TOTAL</b>	<b>7.32%</b>	<b>-44.80%</b>	<b>-24%</b>	<b>0.00%</b>	<b>-18.53%</b>	<b>-44.80%</b>

Market data based on Destimetrics Snowmass RAO Report as of 1.31.21

The last two columns of the above chart indicate that our rental market business plan for fiscal 2020-2021 has been a success in terms of Revenue Per Available Night (REVPAN – REVPAR in legacy reports). By significantly decreasing average rate and increasing our flexibility with regard to minimum length stays, we have materially outperformed the market. We are down season over season by 18.53%, while the market is down 44.80%. Our reactions to extraordinary COVID impacts upon the rental market has rewarded our rental unit clients with performance that far exceeds that of the competitive set.

## 6. State of the Property

Completed projects last year and through this fall

### 1. Completed projects

- Performed annual test and inspection on the fire alarm system
- Performed annual fire extinguisher tests - recharged and replaced, as needed
- Repaired drainage from industrial laundry machines
- Various minor repairs to industrial laundry machines
- Repaired all walkway lights
- Replaced remaining older Christmas lights
- Cleaned interior and exterior of windows
- Inspected and clean chimneys
- Performed annual pool boiler system flush, boiler pressure vessel certification, and backflow preventer inspection
- Performed annual roof inspection and maintenance
- Replaced meter room doors at East end of parking structure by 307 parking slot.
- Repaired small retaining wall outside of the stairwell of 111/211/311
- Repaired grouting at the spa
- Replaced driveway snowmelt ignition sensor



- Replaced fan in boiler #2, used to provide water to the pool and units
- Repaired Enclave entrance sign
- Replaced faulty photocell for East walkway lights
- Installed new fan in employee unit #1
- Installed shower in employee unit #2
- Repainted SW carport fascia on front and back, as well as the NE front side
- Sanded and repainted office door and windows
- Repainted flower boxes and post near EN101
- Sanded and repainted all stairwell treads
- Touch-up painting of the West side lower level walls facing ski slope
- Maintained exercise equipment

## 2. Projects proposed to be completed this 2020/2021 fiscal year

- Explore re-plastering the pool in Summer 2021
- Radon testing for the property (halted due to Covid-19)

## 7. Financial Position

Unaudited actual HOA financial results were on budget for fiscal 2019-2020.

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 \$1,246, or 1%, deficit to budget, with various line item variances essentially offsetting.

There are no delinquent owners as of March 26, 2021 on assessment receivables.

The main Reserve Fund (unaudited) at fiscal year-end 2019-2020 amounted to \$785,584. The Arrival Center Reserve Fund (unaudited) amounted to \$101,907.

## 8. Report of Officers

### A. Renovation and Development Update

### B. 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 it's meeting on January 15, 2019 approved further expenditures totaling up to \$213,000. The expenditures are to be made from funds borrowed from the Reserve Fund. Cumulative costs through 03/3/21 covering



entitlements, architectural services, legal services, etc. and for renovation work already completed for these efforts amount to \$619,969. At a special meeting of the Board on 2/15/20, the Board authorized an additional sum of \$100,000 to be borrowed from the Reserve Fund to cover additional soft costs to be incurred through completion of the final PUD approval from TOSV, leaving a remaining available budget of \$101,764. It's intended that all soft costs not previously repaid to the Reserve Fund will be repaid from a bank loan, which the Board is currently negotiating. As a result of this, the \$213,000 special assessment that was to be levied in fiscal 2021/2022, 2022/2023, and 2023/24 has been cancelled.

### C. 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 2020-2021 the Association purchased a minimum premium worker's compensation policy, primarily to protect against uninsured subcontractors working on site who might become injured.

John Wilkinson of Mountain West 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.



9. Election of Directors

Mr. Blumenthal noted that this year three Board seats are open for election. Incumbents Lonnie Klein, Larry Garon, and John Henderson, whose terms expire this year, have announced their intention to run for re-election. Robert Mahoney has also announced his candidacy for one of the three open Board seats, and his bio has previously been circulated to the HOA. 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. Henderson, Mr. Klein, and Mr. Garon were each elected to a three year term.

10. Staffing and Services

Management reports that staffing is at 94% of target, with 3 guest service positions, and 1 maintenance positions open. Management continues to attempt to source housekeeping candidates internally, rather than via a 3<sup>rd</sup> party provider. Through March 6, 2021, although past the review period for this report, we are 93% staffed to target levels. We have made an offer to a prior employee, Wes Schmidt, to replace Jeff Bingham as Guest Services Manager. Wes has accepted.

11. Report of Property Manager

Status of Snowmelt Leaks

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. As of 3/3/21 snow accumulation has not reached the level necessary to warrant Alexander Roofing's services.

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 roofs should occur at the same time as replacement/repair of the retaining wall. Management is planning on having an



updated survey performed in Spring 2021. There is currently no line item funding within the Reserve for replacement of Retaining Walls.

Mr. Henderson at the 2019 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 was completed in March 2021. Resort Internet would like the HOA to consider upgrading the current cat5 system to a cat6 system. Main advantages of the potential upgrade would include complete modernization in data delivery to end users, allowing Resort Internet to install the best available wireless equipment inside each unit for fast and reliable service, as well as completely utilize the newly installed optical bandwidth into the property. This would allow 200 mbps speeds per unit, as well as personalized wifi connection per unit. The upgrade would come at no installation cost. The installation itself would take 2-3 weeks, and could be done in conjunction with any existing property renovations. The Board has authorized moving forward with this upgrade proposal, and is exploring a further upgrade to fiber optic.

### 12. Other Business

Mr. Blumenthal opened the floor to questions about the performance of Vacasa. Mr. Klein noted that statements and interaction with Vacasa have not gone well. Mrs. Word advised that on the real estate side obtaining any financial information has been difficult. Mrs. Weybright noted that Enclave is part of a boutique operation and Vacasa is a large corporation. Mr. Blumenthal noted that The Enclave operates within a local Co-Op in partnership with Chamonix and Enclave. Mr. Fisher noted that the insurance savings provided by the Co-Op relationship in and of itself is a very valuable component of the Co-Op. Dr. Duvoisin asked about the general feelings of the Co-Op group outside of The Enclave membership. Mr. Blumenthal replied that the Co-Op is generally dissatisfied with the performance to date of Vacasa. Mr. Torelli asked if the Co-Op Representatives (Presidents of each HOA) are meeting soon to discuss this topic. Mr. Blumenthal noted that a call is scheduled for March 17, 2021 among this group.

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



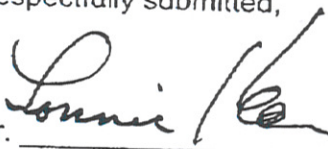
Mr. Novo, Jr. made a motion to ratify the acts of the Board and/or Directors for the 2019-2020 fiscal year and through the date of this meeting. Mr. Dybala seconded, and the motion passed.

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

13. Adjournment

Mr. Fisher made a motion to adjourn the meeting at 4:40 PM. Ms. Weybright seconded, and the motion passed.

Respectfully submitted,

Mr.  Secretary