

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL HOMEOWNERS MEETING

March 06, 2022

1. Roll call and certification of proxies

Mel Blumenthal, President of the Association, called the meeting to order at 3:34 PM MST. Non-members Mike George and Paul Parkerson from Vacasa were also present.

Members Present	Unit #	Points	Rental = R Non rental = NR
Paul Dybala	101	1860	R
Mike Stiles	102	1170	R
Lonnie Klein	105	1170	NR
Mel Blumenthal	106/107/206	3885	NR
John Henderson	108	1545	NR
Ronda Weybright	111/211	2340	NR
Kristina Hilb	112	1170	NR
Guiliani Infantazzi	113	1545	NR
Oscar Novo, Jr	203/303	2340	NR/R
Larry Lustberg	204	1170	NR
Brian Wilson	208	1545	R
Duvoisin	209	1170	R
Chad Tameling	210	1545	R
Karen Purdy	212	1170	NR
Robert Mahoney	302	1170	NR
Tami Word	304	1170	NR
Stephen Kerpsack	305	1170	R
Larry Garon	307	1860	R
Charles Crowe	310	1545	NR
Glen Fisher	311	1170	NR
Marc Patenaude	313	1545	NR

Members Present By Proxy	Unit #	Points	Proxy given to
Jay Losi	104	1170	Larry Lustberg
Jim Burns	109	1170	Mel Blumenthal
Eric Cheung	110	1545	Mel Blumenthal
Steve Jacobs	201	1860	Mel Blumenthal
Herb Eldean	205	1170	Mel Blumenthal
Oscar Novo, Sr	207	1545	Oscar Novo, Jr
Dr. Peter Duvoisin	209	1170	Oscar Novo, Jr
Tami Word	305	1170	Larry Lustberg
Claudine Padula	306	1170	Oscar Novo, Jr

Ari Shifman	308	1545	Larry Garon
Lee Spiegler	312	1170	Mel Blumenthal

TOTAL: (45,600/52,515 = 86.83%)

Verification of those present and 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 14, 2021, meeting.

Management had previously posted the minutes of the March 14, 2021, meeting on the slcassoc.com website. Mr. Fisher made a motion to waive the reading of the minutes and approve them as written. Mr. Klein seconded, and the motion passed.

4. Rental Program

Per the most recently released update, the Vacasa managed rental program continues to significantly outpace the market

WINTER

2019/20 vs. 2021/22 Performance

How are we pacing compared to 2019/20?

Notes:

- Performance is compared to 2019/20 due to COVID-19 impacts on the prior season.
- Winter RentPAN continues to pace strong, up 88% compared to 2019/20.
- January finished 12% up in Rent. This was achieved by booking more Nights and at higher ADR's.
- February Rent is in a great place, currently 37% up with Nights and ADR up as well.
- Overall, Enclave is in a great position for Winter. Rent is up 57%, Nights gained is 49%, and ADR is up 26%.

	Rent % change	Occ % change	ADR % change	RentPAN % change
Nov	250%	301%	-8%	267%
Dec	52%	59%	3%	64%
Jan	12%	16%	15%	34%
Feb	37%	3%	54%	59%
Mar	201%	161%	63%	326%
Apr	-	-	-	-
Total	57%	49%	26%	88%

2021/22 Market Performance

How are we and the market pacing for 2021/22?

	Enclave Occupancy	Market Occupancy	Enclave ADR	Market ADR	Enclave RentPAN	Market RentPAN
Nov	20%	20%	\$285	\$235	\$56	\$46
Dec	57%	56%	\$1,073	\$713	\$615	\$399
Jan	80%	67%	\$881	\$570	\$704	\$384
Feb	85%	79%	\$1,165	\$572	\$990	\$450
Mar	72%	69%	\$1,185	\$566	\$856	\$388
Apr	11%	18%	\$508	\$294	\$54	\$53
Total	53%	56%	\$994	\$569	\$524	\$321

Notes:

- Winter RentPAN is currently pacing 63% ahead of the market.
- January Occupancy finished up from the market while ADR and RentPAN also had a strong finish.
- February RentPAN is pacing up 129% and Occupancy has also pulled ahead of the market.
- Overall, Winter Occupancy is nearly in line with the market while ADR is up 75%.

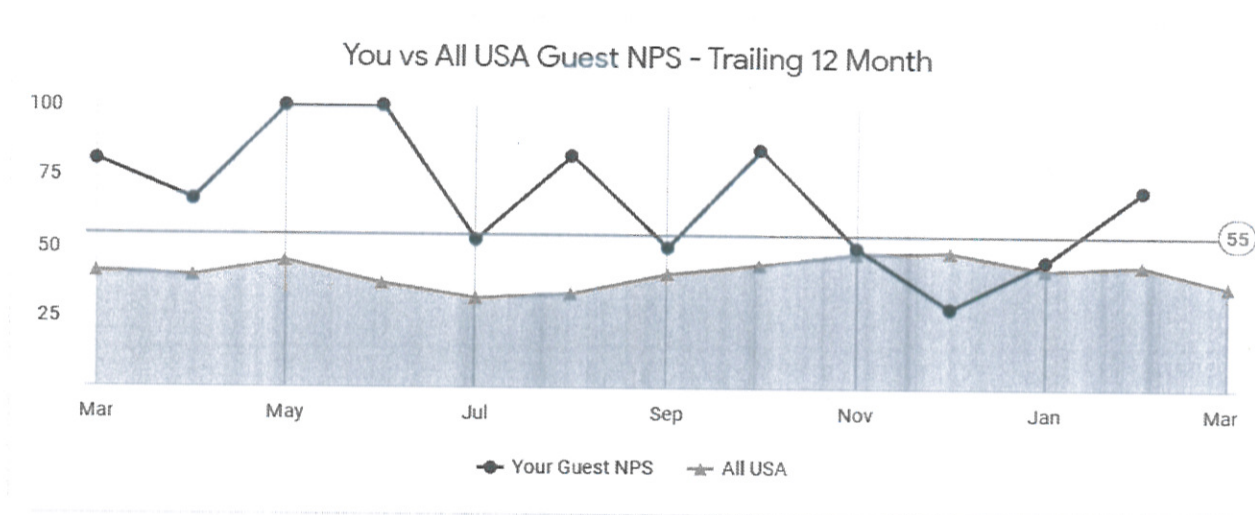
Market data based on Destimetrics Snowmass RAO Report as of 1.31.22

* The "Market" is defined by Destimetrics as the Snowmass comp set of: Crestwood Condo Hotel, Destination Residences Snowmass, iTrip Vacations Snowmass, Lighthouse Hotel Snowmass, Pokolodi Lodge, Snowmass Mountain Chalet, Snowmass Mountain Lodging, Stonebridge Inn, The Viceroy, Timberline Condominiums, Vacasa - Snowmass - Chamonix, Vacasa - Snowmass - Enclave, Vacasa - Snowmass - Owl Creek Homes, Westin Snowmass Resort, Wildwood Snowmass Hotel



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Rental Program Guest Net Promoter Score



Snowmass Village Op score is 70.6, Vacasa overall is 36.6, and Vacasa target is 55.0.

4. 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 all walkway 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
- Repaired grouting at the spa
- Repaired Enclave entrance sign
- Replaced pool boiler ignitor switch
- Shoveled snow from roof
- Installed new holiday lights/wreaths to trellis next to pool room
- Performed repairs to/modification of the phone switch programming to remove Woodrun Place
- Serviced exercise equipment
- Repaired snowmelt boiler
- Adjusted/tested photocells for common lights
- Replaced pool pump and spa filter lid assemblies

- Replaced pool filter sand
- Replaced pool cover
- Restained benches
- Repaired damaged rear access ski stairs
- Purchased and installed new ski stair lights
- Repaired industrial washer drain
- Repaired ski locker doors for 301 next to 101
- Upgraded internet wiring from Cat5 to Cat6 wiring

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

- Investigation of re-plastering the pool. Also exploring the feasibility or repainting
- Radon testing for the property

5. Financial Position

Unaudited actual HOA financial results were on budget for fiscal 2020-2021.

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 three months show The Enclave to be on budget, with various line item variances offsetting.

There are two delinquent owners at present on assessment receivables. Management has contacted each of them and requested payment.

EN104 \$4,659

EN213 \$6,152

Management, after discussion with the HOA's auditor, has reclassified the unfunded renovation/development soft costs from the Operating to the Reserve Fund. The Reserve Fund (Non-Arrival Center) amounted to \$510,520, and the Reserve Fund - Arrival Center amounted to \$108,988 as of December 31, 2021.

6. 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 has approved expenditures for soft costs to be made from the Reserve Fund. Cumulative sunk costs through 12/31/21 for these efforts amount to \$866,062. Funding via approved assessments for Phase 1 and 2 and surplus transfers to date (including those approved in January 2019 and February 2021) amount to \$408,732 – leaving a present deficit for these efforts of \$457,330. This deficit is anticipated to be replaced as a

component of an HOA approved renovation/development project loan.

Renovation and Expansion Project

Michael Hoffman, the Association's attorney, reported that

- RealAmerica (the Developer) had worked with its insurance agency and potential sureties to secure the bonds required by its contract with the Association, but those efforts did not result in acceptable terms.
- In lieu of the surety bonds, the Developer has offered two alternatives:

a. Alternative #1: the Developer's construction lender will provide the Association a letter of credit in the initial amount of \$11 million. The letter of credit will be backed by the construction loan itself and will be reduced as the Developer builds the project using construction loan proceeds. This alternative will also commit the lender, through a receiver, to complete the Expansion Parcel Improvements and will be backed by a second mortgage against the Expansion Parcel, among other things. The "Association Improvements" (the renovation work) will be backed by a separate letter of credit equal to 15% of the Association Improvements budget, deferral by the Contractor of its profit and overhead until completion of the Association Improvements and the same second mortgage against the Expansion Parcel.

-- or --

b. Alternative #2: the Developer will deposit the entire sum required to complete both parts of the project into an escrow account to be available to the Association in the event the Developer were to default on its obligations. This alternative will also be secured by a first mortgage against the Expansion Parcel.

- The Board has unanimously agreed that the two alternatives are acceptable and it believes both are better than the original surety bond requirement.
- The Board favors Alternative #1. It will work with the construction lender to reach a definitive agreement in the coming weeks.
- Once the Board finally endorses one of the two alternatives, an amendment of the Development Agreement will be drafted.
- The amendment will be sent to the members for ratification.
- It is important that the members immediately sign the Ratification Agreement, have their signatures notarized and return the signed, notarized agreement to Paul Parkerson.

Mr. Garon made a motion to authorize the board to further evaluate both alternatives and to make a decision as to which alternative the Board considers to be in the best interests of the members of the HOA. Mr. Fisher seconded. The motion passed unanimously.

Mr. Blumenthal noted that the facility will be shut down to owners from 04/18/2022 to 11/23/2022. All cars must be off the property by the end of business on 04/17/2022. The Board has adopted a rule that prohibits anyone, including owners, from coming onto the property during the closure period without first providing a signed Release to the Association and the Developer. No owner, guest, renter or any other person is permitted to use any unit without first receiving the written approval of the Board and the Developer.

One ground floor unit remodel (109) may occur, depending upon whether or not the unit may be accessed solely from the back side of the building and whether SkiCo agrees to allow vehicular access from their property.

Mrs. Purdy noted that she would like to remodel her unit - both bathrooms - during the HOA project work schedule timeline. Nathan Damstra is the planned GC for this unit work.

Ms. Word also expressed interest in doing bathroom remodel work in her unit.

Management will review rental occupancies between 11/23/2022 and 12/13/2023 and report back to the board concerning whether or not allowing remodeling work during these dates will impact possible unit rentals in adjoining units.

Since electric service may be interrupted during the renovation/development timeline management requested that members remove all of their refrigerated and frozen items from the property. In addition members should move fragile items away from the walls to minimize the risk of inadvertent damage that could occur during the course of the project.

Insurance

The Enclave continues to be insured under a master policy that now includes Owl Creek 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 \$128,974,892.

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 the 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 2021-2022 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) 945-9111 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. Election of Directors

Mr. Blumenthal noted that this year two Board seats are open for election. One is currently held by Glen Fisher, who has indicated that he is running for re-election. The second is held by Mr. Blumenthal, who has indicated that he is running for re-election. Mr. Blumenthal asked if there were any other members present who wished to declare candidacy for the Board of Directors at this time. There being no other candidates Mr. Blumenthal then closed the nominations. Mr. Fisher and Mr. Blumenthal were each elected to a three year term.

8. Old Business

9. Staffing and Services

Management reports that staffing is at 90% of target, with 2 guest service positions open. Management continues to struggle to source housekeeping candidates, other than via a 3rd party provider.

Management is working with RealAmerica on the possibility of some of our staff/contractors working on the job site during the expected construction timeline.

10. 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. Management had the roof shoveled in early January once the level of snow on the roof reached this established safety level.

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 are to be replaced as part of the 2022 project work.

Internet Upgrade

During the fall of 2021 Resort Internet upgraded the wiring on the property from Cat5 to Cat6. Units now receive speeds of 200 mbps download/25 mbps upload, with higher speeds available upon request. Units can also pay a one-time fee to establish their own private network that is separate from the publicly available internet. The password for this public internet has been updated to "elkcamp2021."

11. New Business

Mr. Klein asked about ski tuning services commensurate with what management was able to provide in the past - pick up and delivery service with direct billing to owners. Mr. Parkerson will investigate whether any vendors are available to provide these services again in the future.

Any tenants or their guests that park in non-assigned/non-designated areas on the property will need to leave their keys with the front desk staff for safety and security purposes. The HOA instituted a daily fee of \$10.00 to be paid to the management company - however, the HOA strongly discourages parking anywhere on the property other than in an assigned or designated parking place.

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

Mr. Novo made a motion to ratify the acts of the Board and/or Directors for the 2020-2021 fiscal year and through the date of this meeting. Mr. Tameling seconded, and the motion passed.

Although the declaration states that an outside appraisal is to be performed annually to verify replacement costs, Mr. Fisher made a motion to waive the outside appraisal requirement for fiscal year 2020-2021 and fiscal year 2021-2022. Mr. Klein seconded, and the motion passed. Management will resume working with a 3rd party appraiser after the renovation/development work is completed.

12. Adjournment

Mr. Tameling made a motion to adjourn the meeting at 5:08 PM. Mr. Fisher seconded, and

Mr. Tameling made a motion to adjourn the meeting at 5:08 PM. Mr. Fisher seconded, and the motion passed.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mr. Klein", followed by a long horizontal flourish line.

Mr. Klein, Secretary