

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL OWNERS MEETING

January 10, 2016

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 2:11 P.M. Nonmembers Michael George and John Warner of Snowmass Lodging Company (SLC) were present for the meeting. Other attendees at various times during the meeting were Jim Gustafson, Seth Hmielowski and Melanie Noonan, architects; Mike Hoffman, Enclave attorney; and Mak Keeling, general contractor.

Members Present	Unit #	Points	Rental Non rental	= R = NR
Stiles	102	1170	R	
Losi	104	1170	NR	
Klein	105	1170	NR	
Blumenthal	106/107/206	3885	NR, NR, NR	
Henderson	108	1545	R	
Lustberg	204	1170	NR	
O. Novo	207	1545	NR	
Barford	208	1545	NR	
Torelli	210	1545	R	
Kaufman	213	1545	R	
Word	304	1170	NR	
Garon	307	1860	NR	
Fisher	311	1170	NR	

Members Present By Proxy	Unit #	Points		Proxy given to
Burns	109	1170	NR	Burns
Canfield	110	1545	R	O. Novo
Jacobs	201	1860	R	Blumenthal
G. Novo	203	1170	NR	O. Novo
Hart	303	1170	R	O. Novo
Shifman	308	1545	R	Garon
Rimland	310	1545	R	Kaufman
Handler/Koran	312	1170	NR	Blumenthal

TOTAL: (31,665/52,515 = 60%)

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

John Warner presented proof of notice of meeting.

3. Reading and approval of minutes of March 8, 2015, meeting.

Management had previously posted the minutes of the March 8, 2015, meeting on the slcassoc.com website. Mr. Fisher made a motion to waive the reading of the minutes and approve them as written. Mr. Stiles seconded, and the motion passed.

4. State of the Property

Completed projects last year and through this fall

1. Completed projects

- A. Repaired TV cable runs
- B. Repaired arrival center heat system
- C. Repaired snowmelt boilers multiple times
- D. Repaired stairs and added edge protection
- E. Cleared sewer lines
- F. Repaired/replaced shower valves
- G. Repaired multiple plumbing supply leaks
- H. Repaired common washers and dryers
- I. Caulked driveway concrete seams
- J. Repaired snowmelt pumps
- K. Performed annual test and inspection on the fire alarm system
- L. Performed annual fire extinguisher tests, recharges, and replacements, as needed
- M. Performed annual safety inspection on elevators
- N. Repaired pool lights
- O. Performed routine monthly testing of emergency lights
- P. Performed roof repairs
- Q. Continued redevelopment review of renovations and improvements with architect
- R. Repaired spa heater, pumps, and jets
- S. Painted various exterior walls
- T. Cleaned interior and exterior of windows
- U. Inspect and clean chimneys
- V. Completed repairs to known deteriorated structural components
- W. Caulked backside decks
- X. Repaired overlay walkway sections
- Y. Repaired heat exchanger
- Z. Completed band board installation project
- AA. Replaced pool expansion crack sealant
- BB. Performed minor roof repair to help prevent leaks
- CC. Solved spa pump control issues
- DD. Repaired leaks in the pool snowmelt system
- EE. Performed annual pool boiler system flush
- FF. Performed annual boiler pressure vessel certification
- GG. Performed backflow preventer inspection

2. Projects proposed to be completed this spring/early summer

- A. Add signs at lockers for users to lock them
- B. Seal walkways and pool/spa decks
- C. Clearing of elevator mechanical rooms for elevator project
- D. Repair of Enclave sign right of the driveway on entrance
- E. Find snowmelt leak under concrete

Financial Position

The Association is preparing for its outside audit at this time and expects neither adjusting entries nor negative management comments. The completed audit will be made available to any member upon request.

Current year operations through the first two months show The Enclave to be on budget with various line item variances offsetting.

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

The Reserve Fund (unaudited) at fiscal year-end 2014-2015 was \$592,462, after spending \$19,110 on roof repairs. The Enclave also spent \$89,834 on exterior painting and additional band board additions, \$16,597 on pool boilers and pumps, \$1,569 on the hot tub boilers and pump, \$3,203 on caulking at the pool deck, \$18,520 on Development and Entitlement soft costs, \$71 on Crawl Space engineering, \$52,918 on Decks and Balconies structural replacements and repairs, and \$48,146 on Renovation soft costs.

5. Election of Directors

Mr. Blumenthal noted that this year one Board seat is open for election – currently held by Mr. Fisher – who 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. As there were no other nominations or declarations of candidacy, Mr. Blumenthal then closed the nominations. Mr. Kaufman made a motion to nominate the slate of candidates, and Mr. Novo seconded. As the candidate ran unopposed, there was no need to do a paper ballot.

Mr. Fisher was elected to the Board.

Old Business

Crawl Space Repairs (CSR)

The Enclave has a three-year replenishment funding program via special assessments to pay for the costs of the CSR. Year one (fiscal 2013-2014) had a special assessment levy of \$81,084 for this purpose. Year two (fiscal 2014-2015) had a special assessment of \$71,539. Year three (fiscal 2015-2016) has the final special assessment of \$70,379.

Deck and Balcony Repairs (DBR)

The Enclave has a three-year replenishment funding program via special assessments to pay for the costs of the DBR. Year one (fiscal 2014-2015) has a special assessment of \$101,888. Year two (fiscal 2015-2016) has a special assessment of \$119,515, and Year three will be adjusted, so that the costs of the DBR that have been expensed to the Reserve Fund will have been replenished by the members over those three years.

Renovation & Soft Costs (RSC)

The Enclave has a three-year replenishment funding program via special assessments to pay for the RSC via special assessments. Year one (fiscal 2015-2016) has a special assessment of \$94,310, and Years two and three will be adjusted, so that the costs of the RSC that have been expensed to the Reserve Fund will have been replenished by the members over those three years.

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 \$93,310,460.

Of this amount The Enclave has an allocated replacement property limit of \$28,932,504. Under just its allocated limit the Association has average replacement coverage of roughly \$465 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 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 \$2,000,000, separate also from the property limits. For fiscal 2014-2015 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 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.

Status of snowmelt leak

Efforts to identify the source of the snowmelt leak at the east end of the property were unsuccessful. Staff members continue to shovel the concrete areas on top of the leaking loop section.

6. Report of Officers and Property Manager

Exterior Paint and Stain

The courtyard side and the end stacks (to the chimney exterior) siding and trim have been repainted.

Roof

The roof has undergone stop gap repairs during the past fiscal year, and the Board has made the determination to replace it. A focal point of this meeting is for the members to discuss and help decide what the scope of roof replacement should entail. In the interim, hopefully, ongoing maintenance will alleviate any significant emergency repairs. The Reserve Fund is projected to have approximately \$230,000 in line item funding for roof replacement, so additional assessment funding will be needed in order to replace the roof in 2016.

Retaining Walls

The Retaining Walls continue to bow out towards the street. Then engineering work done in the past year indicated that these walls are continuing to move outward at a slow rate. 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, which is now planned for not later than spring of 2017. There is currently no line item funding within the Reserve for replacement of Retaining Walls.

Elevators

The cost information that we received during the past year indicated that replacement of the two existing elevators will cost approximately \$300,000, which is substantially higher than our earlier estimations. The primary causes for the pricing escalation are all of the additional side work that regulatory parties will require with complete replacements that was not previously identified. The estimate has allowances for anticipated work scope, but it is not a firm bid, due to uncertainties about some of the required side work, such as fireproofing the inside of the hoist ways and completing full power supply replacements. The project is further complicated in that discovered costs will almost certainly arise, as demolition and retrofitting within the existing building occurs. The Board intends to proceed with this work in the spring and fall of 2016. While additional assessment funding beyond what is currently in the Reserve Fund may be needed for contingencies and discovered costs, the Reserve Fund model shows an expectation that \$298,000 in Elevator costs will be spent in fiscal 2015-2016.

7. Z Group Architectural Presentation

The architect presented concepts for upgrading the appearance of the existing physical plant and development of new structures on our west side parcel. Presentations were conducted by Jim Gustafson, Seth Hmielowski, and Melanie Noonan, architects. Mr. Gustafson explained the history of how the vacant section of Enclave land to the west side of the property became available for consideration of development through an entitlement process with the Town of Snowmass Village. Mr. Blumenthal emphasized that the HOA is only undergoing an entitlement process now. Should the HOA then decide to consider development of the land at some future date, the members will consider that matter at that time.

8. Summit Construction

Mak Keeling of Summit Construction presented updated pricing for the various work scopes under consideration.

Z Group will work with Summit to prepare a brochure for distribution to the members. The brochure will include drawings and narrative from Z Group, and budgetary data from the proposed contractor.

9. New Business

Based upon discussions between the members at today's meeting, Mr. Hoffman will draft ballot language for review by the Board upon which the members will then undertake a written vote by mail or email.

Regardless of the results of this vote, the Board will proceed with entering into a contract with a general contractor to replace the roof and some of the exterior siding that was not recently painted, as these are maintenance items – included in the overall renovation proposal - that in the Board's determination must occur in 2016. Because of the overall disturbances that this work will create, SLC will not attempt to rent units on behalf of Enclave owners during the spring, summer, and fall seasons of 2016. Owners and owner guests are also strongly discouraged from attempting to make use of the property between April 11, 2016, and November 23, 2016, as it will be a construction zone. For those owners who still wish to visit the property while it is under construction, specific instructions will follow with the ballot and other project specific information.

Once firm costs are established for the 2016 scope of capital maintenance work, the Board will meet to vote upon levying a special assessment in March 2016, in order to begin work in April 2016. These special assessment installments will be due as follows:

50% will be due and payable on April 8, 2016
25% will be due and payable on June 1, 2016
25% will be due and payable on August 1, 2016

Other

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

Mr. Blumenthal made a motion to ratify the acts of the Board and/or Directors for the last year. Mr. Kaufman seconded, and the motion passed.

10. Adjournment

Mr. Fisher made a motion to adjourn the meeting at 8:15 PM. Mr. Klein seconded, and the motion passed.

Respectfully submitted,

Mr. Oscar Novo, Secretary