

MINUTES of THE ENCLAVE ASSOCIATION, INC.
ANNUAL HOMEOWNERS MEETING

March 12, 2023

1. Call to order, roll call and certification of proxies

Mel Blumenthal, President of the Association, called the meeting to order at 3:30 PM MST. Non-members Mike George and Paul Parkerson from Vacasa were also present. Non-members Jim Gustafson of Z-Group Architects and Michael Hoffman, counsel for The Enclave Association, Inc. were also present.

Members Present	Unit #	Points	Rental Non rental	= R = NR
Paul Dybala	101	1860	R	
Mike Stiles	102	1170	R	
Ray Losi	104	1170	NR	
Mel Blumenthal	106/107/206	3885	NR	
John Henderson	108	1545	NR	
Burns	109	1170	NR	
Ronda Shrewsbury	111/211	2340	NR	
Kristina Hilb	112	1170	NR	
Lisa Deremiah	201	1860	R	
Kwarciak	202	1170	NR	
Oscar Novo, Jr	203/303	2340	NR/R	
Larry Lustberg	204	1170	NR	
Pat Eldean	205	1170	R	
Taub	207	1545	R	
Brian Wilson	208	1545	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	
Spiegler	312	1170	R	
Dr. Marc Patenaude	313	1545	NR	

Members Present By Proxy	Unit #	Points	Proxy given to
Lonnie Klein	105	1170	Mel Blumenthal
Dr. Peter Duvoisin	209	1170	Oscar Novo, Jr
Ainsworth Investm	306	1170	Larry Garon
Ari Shifman	308	1545	Larry Garon

TOTAL: (43,305/52,515 = 82.46%)

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 06, 2022, meeting.

Management had previously posted the minutes of the March 6, 2022, meeting on the slcassoc.com website. Mr. Tameling made a motion to waive the reading of the minutes and approve them as written. Mr. Dybala seconded, and the motion passed.

4. Election of Directors

Mr. Blumenthal noted that this year two Board seats are open for election. The two seats are currently held by Larry Lustberg and Oscar Novo, Jr., who have each indicated an intent to run 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. Tameling made a motion to elect the slate of declared candidates. Mr. Dybala seconded, and the motion passed. Mr. Novo and Mr. Lustberg were each elected to a three year term.

5. 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
- Installed new fire alarm system in preparation for new arrival center and new units
- Repaired damaged buried phone line that had deteriorated
- Repaired any remaining 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
- Replaced failing timing switches and corresponding equipment for the spa

- Repaired leaks in filter-boxes of the pool
- Repaired failing roof heat tape equipment
- Shoveled snow from roof
- Installed new holiday lights next to pool room and updated lights adjacent to the driveway
- Performed repairs to/modification of the phone switch to accommodate the various office moves
- Replaced faulty power backup for the east elevator
- Replaced faulty key switch for the west elevator
- Purchased heating elements and maintained temporary stairway
- Repaired snowmelt boiler
- Adjusted/tested photocells for common lights
- Painted all walkway railings
- Repaired damaged rear access ski stairs
- Purchased and installed new ski stair lights

2. Projects proposed to be completed this 2022/2023 fiscal year

Continued investigation of re-plastering/re-painting the pool.
 Investigation of west elevator noise
 Investigation of closing/locking methods for north ski lockers
 Investigation of pool cover requirements and needs

Karen Purdy commented that the west elevator is noisier than in past years. Mr. Parkerson has advised that the hydraulic oil used in the operation of the elevator has been replaced. Mr. Blumenthal asked staff to monitor the issue.

Karen Purdy asked if more gravel can be installed in the parking areas. Mr. Parkerson advised that more gravel is planned to be installed in the near term.

Mr. Taub asked if the ski locker hallways can be closed and locked more frequently. Staff and management will research ideas about how to improve the situation - perhaps spring loaded hinges and replacement locks will help.

Pat Eldean asked if the pool and hot tub covers can be replaced due to age and wear. Mr. Parkerson advised that replacements are generally done annually. Mr. Blumenthal asked if the pool cover could be left off during winter and summer seasons. Mr. Parkerson will test the process, experiment with other ideas, and report back to the board.

6. Financial Position

Unaudited actual HOA financial results show an operating fund surplus of \$97,061.14, plus a carried forward surplus of \$96.00 for fiscal 2021-2022. Management recommends that the board approve transferring these surpluses to the reserve fund to partially defray renovation/development project related soft and hard costs at its next meeting.

The arrival center reserve fund at fiscal yearend amounted to \$113,236.94, and management recommends that the board approve transferring these funds to the primary reserve fund to partially defray renovation/development project related hard and soft costs at its next meeting.

The external audit of the Association is about to commence. 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 operating at a YTD deficit to budget of \$3,301. Insurance costs increased year over year by \$13,848 because of a shrinking market for excess umbrella liability coverage, with other cumulative line item savings to budget YTD of \$10,547 partially offsetting the higher cost of insurance.

Owners at present are current on assessment receivables.

Management, after discussion with the HOA's auditor, has classified a portion of the unfunded renovation/development soft costs to both the Operating (\$153,364.51) and Reserve Fund (\$499,821.20) as of fiscal year end, September 30, 2022.

The Reserve Fund (Non-Arrival Center) amounted to \$480,118, and the Reserve Fund - Arrival Center amounted to \$113,237, as of September 30, 2022.

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 02/28/23 for these efforts amount to \$1,137,867. Funding via approved assessments for Phases 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 \$729,134.

Insurance

The Enclave continues to be insured under a master policy that now includes Enclave, 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 \$132,844,139.

Of this amount, The Enclave has an allocated replacement property limit of \$30,693,493. Under just its allocated limit the Association has average replacement coverage of roughly \$493 per foot on 62,220 sq ft, based upon exterior square footages and including the carports and the arrival center building. Under the master policy limit of \$132,844,139, this computes to average replacement coverage of \$2,135 per square foot, should any single incident or peril affect only the Enclave. If that incident or peril affected all three properties, each property would revert down to its individual declared replacement value

for coverage.

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 series of layered policies aggregating to a \$40 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. HOA Management, Rental Unit Management, and Non-Rental Unit Management

Vacasa has given notice of termination of its management of any and all HOAs in Snowmass Village as of May 31, 2023. It has also provided notice of termination of its management of all of its non-rental unit management accounts in Snowmass Village as of May 31, 2023.

The Enclave board has selected Frias Properties of Aspen as its replacement HOA and unit manager candidate.

Some notes as an introduction to Chuck Frias and Tim Clark of Frias - Chuck founded the company in 1974 and has 48 years of longevity in a competitive and ever-changing vacation rental and property management market, growing to represent over 40 HOAs in Aspen. Frias manages approximately 130 rental and 100 non rental units in Aspen in conjunction with its HOA management work, and it has earned Aspen Times "Best Property Management Company" in 2021 and was a runner up in the COLORADOBIZ "Best of Colorado Business Choice Awards."

Frias is well-versed in all facets of property management for both units and HOAs.

Highlights and differentiation points to present status:

1. Over 4 decades of local market experience, earning a solid reputation
2. A proven history of strong retention of staff over extended periods of time to deliver consistent and professional services
3. Expansion of inventory over time to now manage over 40 HOAs in a fractured and contested rental unit and property management market
4. Management of approximately 130 rental and 100 non rental units in the market and growing to accept Snowmass Village clients - we have 33 presently in inventory at Chamonix, Owl Creek, and Enclave
5. Competitive pricing in market for housekeeping and maintenance services
6. Slightly more attractive rental split opportunities for owners versus present terms
7. Very high percentage of rental client retention - reports a repeat guest ratio of 50%
8. Mature rental channel management experience/expertise combined with local reservation staff who will accurately represent the details of both the local market and the properties here in Snowmass
9. Rental department staff who will have visited the properties and will accurately describe the services and facilities offered at managed properties in Snowmass Village
10. Frias is locally owned and operated, therefore, attentive and responsive to the needs of employees and customers. Additionally, its principals and staff are in tune with the community and its various local markets.
11. Frias as a property management company with a real estate brokerage division is held by the State of Colorado Department of Regulatory Agencies to higher professional standards than property management companies without a brokerage designation.
12. Frias must operate its rental program using trust accounting - use of funds is regulated. Advance rents and other deposits that have been paid to Frias for rental operations must be held in trust in segregated bank accounts, and these funds may not be used as operating or working capital or for any other purpose by Frias other than those that are directly related to their described use by the property owners and rental tenants.

Our combined properties will be Frias' initial entry into the Snowmass Village market. To recognize this significant event, Frias will be changing its name to Frias Properties of Aspen and Snowmass, and it will be marketing our properties under this banner.

Enclave will need to move to market-based management and service fees expenses in order to attract and to retain a local, qualified, experienced HOA and unit management company. The strategy is to retain and supplement the local staff, leverage the administrative and rental management platform of Frias, and combine those two things with the superior facilities provided by the owners and the HOA.

Mr. George reviewed the economics term sheet negotiated by the HOA boards of Chamonix, Enclave, Homestead, and Owl Creek with Frias.

Highlights:

Maintenance rate \$55/hour (\$6.00/hour discount over Frias Aspen price)
Maintenance rate \$60/hour for skilled work, as before
Housekeeping rate \$50/hour
Rental commission @ 40%, shared provider and cc commissions: approx. 0.21% < Vacasa
HOA management fees restored to approximate pre-Vacasa amounts
Rental housekeeping frequency will be pre- and post- stay cleaning
Chamonix and Enclave front desks will be consolidated to a single Enclave desk
1 driver per desk shift, 1 counter person per desk shift, 2 shifts per day in seasons
In village driving time waits may be as long as 40 minutes to allow for airport turn times
Driver will base at Chamonix when not driving anyone - Chamonix desk will have driver/manager coverage from 10am-7pm daily during seasons
No driving services out of season, unless staffing can accommodate
Enclave shares Chamonix laundry real estate - offsets use of Enclave for front desk real estate
Inducement assessments will be increased as of June 1, 2023, from an average of \$8,000 per unit to \$12,000 per unit per the below schedule:

2 bed	\$10,426.74
3 bed	\$13,768.64
4 bed	\$16,575.84

In addition, it is our understanding the Town of Snowmass Village has a compulsory short term rental unit license agreement that is being put into effect within the next 60 days. Rental unit owners must hire and identify a local manager to respond 7 days a week / 24 hours a day / 365 days a year, so owners who presently rent on their own are strongly encouraged to join the Frias rental program.

Ms. Hilb asked about other management companies. Mel advised that other than Destination Management, no other candidates were identified that were known to be available to interview in the relatively short time available before June 1, 2023.

Mr. Taub was complimentary of the local staff and also of Frias, as he has stayed in properties that are managed by Frias - he noted that they are a customer focused services company.

Tami Word asked if the HOA had looked at any other local companies and mentioned that McCartney Property Management may be a viable candidate.

HOA budgets will be adjusted mid-year as of June 1, 2023, for fiscal 2022-2023 to reflect pricing to market costs.

The favorable HOA fees and other offered terms will only hold if all unit owners decide to individually hire FPA to manage their units. FPA will not provide any services to any rental guests of any owner, if that owner does not elect to enter into a unit

management contract with FPA. That means no van rides in Snowmass or to/from the airport, no desk services, no laundry or linen service, no housekeeping, no maintenance, and no parking on site for any non-Frias service staff or rental guests, except in that owner's designated single parking space.

All owners will need to inform the HOA and the property manager of their unit specific management decision by March 25, 2023. Frias contract forms will be ready for review by March 20, 2023. Time is of the essence, as the current Vacasa non rental unit management contracts have already been terminated by Vacasa. The Vacasa rental unit contracts have a 60 day notice of termination clause, which means each unit owner who decides to join the Frias rental program will need to enter into the new unit management contract on or before March 25, 2023 (effective date June 1, 2023), and to subsequently serve notice to terminate its contract with Vacasa as of March 31, 2023. Non rental unit owners must also enter into their new unit management contracts by March 25, 2023.

8. Renovation and Expansion Project

Ronda Shrewsbury, EN111 and EN211 unit owner, and also principal of Real America, project contractor and developer, reviewed the current state of completion of the project and the anticipated timelines to completion for both the HOA project and the expansion parcel development.

Michael Hoffman, the Association's attorney, was available throughout the meeting and to respond, as needed, to questions and comments of the attendees.

Mr. Gustafson, Z Group principal, was available throughout the meeting and to respond, as needed, to questions and comments of the attendees regarding project architecture and design.

Mr. Blumenthal noted that when the facility is under Fire District and/or Town of Snowmass Village mandated closure periods, all cars must also be off the property - the next mandated closure period is from 04/17/2023 through 06/22/2023. The unit owners were reminded that during the closure periods owners and their guests and rental guests are prohibited from entering the property without first obtaining permission from the property manager and providing a signed Liability Release to the Association and the Developer. No owner, guest, renter or any other unauthorized person is permitted to occupy any unit during the mandated closure periods. Mr. Blumenthal noted once the secondary access road to the construction site is completed the Enclave Board has authorized its specified agents/representatives to revisit the subject of shoulder season occupancy with the Fire District. Mr. Blumenthal cautioned that there was no certainty that any change to the closure dates would result from any further discussions with the Fire District and TOSV.

Ms. Hilb wanted to know if there would be any assistance provided to full-time residents who are displaced during the mandated closure periods and wanted to know why there isn't more transparency about displacement reasons and timelines.

Ms. Shrewsbury commented that all involved with the renovation/development project were being as forthcoming with information as possible, but that unknowns such physical problems with the construction site and unpredictable mandates from the Fire District and TOSV made this difficult.

Outside of the mandated closures Mr. Blumenthal noted that there is nothing preventing residents from living at the property full-time, but that this actuality is a relatively new thing for the Association to take into consideration, and this reality of full-time residents has happened after plans for the renovation/development project were made. He noted that it has always been The Board's intention to protect the summer and winter seasons from closure. He further noted that the renovation/development committee that consists of Mr. Fisher, Mr. Garon and himself are in daily contact with the principles involved with the project and that they notify the HOA of any changes to the known schedule as soon as they are confirmed.

Mr. Mahoney noted that there were no restrictions of occupancy involved with the purchase of his unit, and the closures are affecting his family who reside in the unit year-round. He also mentioned his belief that promises were made regarding closures only occurring in 2022 and his disappointment that the November 2022 opening was delayed almost a month.

Mr. Mahoney wanted to know who paid the cost of displaced owners and guests during the unanticipated extended closure period between 11/24 - 12/21/23.

Mr. Parkerson noted that members of the HOA were notified of an extension of the original 11/24 closure to 12/15 in an email sent to the HOA on 10/22. He then gave the information that Vacasa was responsible for the move of rental guests during the period of 12/15 - 12/21 and that owner/owner guests during this period were moved to The Viewline. Mr. Blumenthal stated that the Enclave HOA arranged for and will pay for The Viewline stays but that the HOA will seek reimbursement from Real America.

Mr. Mahoney asked if there were stipulations in the renovation/development project contract for the completion of specific phases of the project, and if so, if there are penalties for the failure to complete phases in the projected timeline.

Mr. Hoffman stated that the original contract has not been modified (after the meeting Mr. Hoffman corrected this statement and will send a correcting note to all owners) and proceeded to list the original timeline for the completion of various phases of the project. Mr. Hoffman noted that investigation is ongoing as to what parties are responsible for the delay in completion of certain phases of the project. Mr. Hoffman then noted that there are financial penalties assigned to different portions of the contract and investigation is ongoing with these aspects of the project.

Mr. Mahoney asked if alternative options such as the secondary access road had been explored earlier in the project that could have alleviated the various delays in the project.

Ms. Shrewsbury noted that while a secondary access road would have provided some assistance, the major timeline delay factors were supply-chain shortages, unanticipated physical project problems and permit delays.

Mr. Mahoney noted that supply-chain issues were known beforehand and asked why there was very little activity between May and August.

Ms. Shrewsbury replied that there were behind-the-scenes issues occurring such as the changing of utility requirements during the planning phase multiple times that can't be seen.

Mr. Gustafson noted that permitting delays by TOSV as well as delays related to the various financial arrangements played a large part in the lack of work seen during the May - August time period, but reiterated that progress was being made behind-the-scenes as well as to the exterior of the project during this period.

Mr. Blumenthal commented that the renovation/development project committee was not passive in exploring solutions to the various issues that arose during the closure period. He also mentioned that the other projects occurring in the TOSV did not have to work around occupancy issues, which makes The Enclave project more difficult to plan and to keep on plan.

Mr. Kwarciak commented that the size of the current tandem-parking area was inadequate to accommodate the vehicles parked there during the winter season. He mentioned that while parking was possible, it was inconvenient and dangerous.

Mr. Gustafson replied that while the current parking situation meets the TOSV requirements, he agrees it is not optimal. He commented that once work on that section of the driveway is completed there will be about four feet more room on the south side.

Ms. Hilb asked about the timeline for the completion of the driveway. Mr. Shrewsbury replied that the east end, complete with the snowmelt system, is anticipated to be completed during the spring, but that due to the many moves of utility lines, the central and west portions of the driveway won't be completed until the fall season.

Ms. Hilb asked if the local staff was being given any special compensation for the work performed to assist with the project and to get the property ready for the winter opening. Mr. George commented that no compensation has been given at this point but that the various thank-yous and individual gratuities given by various owners was greatly appreciated. Mr. Blumenthal noted that the Board was considering various options to assist with retaining staff and acknowledging work performed by individual staff members that may go beyond their normal duties.

General discussion, led by Mr. Garon, Mr. Fisher and Mr. Blumenthal was held pertaining to the general difficulties of construction in the Snowmass area. The talk centered on the short time period allowed for certain types of construction, the rigidness of the TOSV permitting system and the unknowns of working in a mountain region. Mr. Garon reminded those in attendance that most of the scope of the project are things that are necessary to maintain and/or improve certain aging physical pieces of the property, and that a lot of the work being performed would have to have been done regardless of the sale of the west parcel of land. Mr. Blumenthal agreed with Mr. Garon and reminded the owners that had the owners not supported the development project and the resulting funds received from the developer, all the necessary property remedial/redevelopment work would have had to be fully funded by the owners.

Mr. Kerpsack expressed concern about the planned opening dates for Summer 2023. Ms. Shrewsbury replied that the only thing that might hinder the planned summer dates of June 22 - September 4, 2023 is if the Fire District finds potential safety issues close to the opening dates. Mr. Garon noted that the renovation/development committee would stay in constant contact with various TOSV entities during the spring to try and preempt any potential problems that might delay the opening.

Ms. Allison Mahoney asked if the upcoming closure is a result of a change in the plans submitted to TOSV and the Fire District, and if so, why the HOA wasn't notified sooner. Ms. Shrewsbury and Mr. Gustafson replied that the closure was likely a result of observations by the Fire District related to the amount of activity on the site, the small and constricted size of the property in relation to the amount of work being performed and the limited access areas for emergency response vehicles. Ms. Mahoney asked if options had been explored to meet the Fire Districts' concerns. Mr. Blumenthal replied that the renovation/development committee along with Mr. George had explored several options, including the ski-back trail to the south of the project, but that none of these options were satisfactory. The secondary access road was only recently approved and prior to the approval it was not considered an option to be relied upon. Mr. Blumenthal expressed that it is the hope of all involved with the project that this secondary access road may change some of the Fire Districts' current edicts, but cautioned that nothing should be assumed at this point.

8. Old Business

Parking

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. A reminder was given that parking anywhere on the property other than in an assigned or designated parking place is strictly prohibited.

Roof

The 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 February once the level of snow on the roof reached this established safety level.

Staffing and Services

Management reports that the maintenance and front desk departments have been chronically under-staffed all season. Management continues to struggle to source housekeeping candidates, other than via a 3rd party provider. Labor rates and pricing to owners and to HOAs are being adjusted in attempts to mitigate these issues.

9. New Business

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

Mr. Tameling made a motion to ratify the acts of the Board and/or Directors for the 2021-2022 fiscal year and through the date of this meeting. Mr. Novo seconded, and the motion passed.

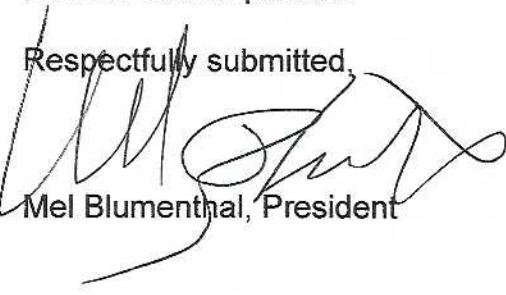
Although the declaration states that an outside appraisal is to be performed annually to verify replacement costs, Mr. Tameling made a motion to waive the outside appraisal requirement for fiscal year 2021-2022 and fiscal year 2022-2023. Mr. Fisher seconded, and the motion passed. Management will resume working with a 3rd party appraiser after the renovation/development work is completed.

Lisa Deremiah - acknowledged the efforts of all involved in the e-development / development project.

10. Adjournment

Mr. Tameling made a motion to adjourn the meeting at 6:10 PM. Ms. Deremiah seconded, and the motion passed.

Respectfully submitted,


Mel Blumenthal, President