

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

March 10, 2024

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

Mel Blumenthal, President of the Association, called the meeting to order at 3:33 PM MST. Non-members Mike George and Paul Parkerson from Frias Properties of Aspen and Snowmass 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	
Jay Losi	104	1170	NR	
Lonnie Klein	105	1170	NR	
Mel Blumenthal	106/107/206	3885	NR	
John Henderson	108	1545	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	
Jeff Taub	207	1545	R	
Brian Wilson	208	1545	R	
Chad Tameling	210	1545	R	
Robert Purdy	212	1170	NR	
Robert Mahoney	302	1170	NR	
Jon Word	304	1170	NR	
Stephen Kerpsack	305	1170	R	
Larry Garon	307	1860	R	
Charles Crowe	310	1545	NR	
Glen Fisher	311	1170	NR	
Lee Spiegler	312	1170	R	
Dr. Marc Patenaude	313	1545	NR	

Members Present By Proxy	Unit #	Points	Proxy given to
Burns	109	1170	Kwarciak
Eric Cheung	110	1545	Mel Blumenthal
Pat Eldean	205	1170	Mel Blumenthal
Ari Shifman	308	1545	Larry Garon

TOTAL: (42,510/52,515 = 80.95%)

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 12, 2023, meeting.

Management had previously posted the minutes of the March 12, 2023, meeting on the slcassoc.com website. Mr. Fisher made a motion to waive the reading of the minutes and approve them as written. Mr. Henderson seconded, and the motion passed.

4. Election of Directors

Mr. Blumenthal noted that this year three Board seats are open for election. The three seats are currently held by Lonnie Klein, Larry Garon and John Henderson, 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. Blumenthal made a motion to elect the slate of declared candidates. Mr. Fisher seconded, and the motion passed. Mr. Klein, Mr. Garon, and Mr. Henderson were each elected to a three-year term.

5. State of the Property

Completed projects last year and through this fall

Installed fascia board flashing interior courtyard fascia boards

Performed Boiler and Elevator inspections

Performed fire extinguisher inspections

Did Limited Roof Snow Shoveling

Repaired, tested, and added tree lighting

Had chimneys inspected and cleaned

Cleaned exterior and interior windows

Replaced spa sand and lateral filters

Grouted various cracks on the upper spa area

Cleared all gutters

Repaired/replaced ski area stair lights

Repaired/painted south breezeway ski lockers

Painted the stairs in the towers

Repaired various walkway bollard lights

Repaired faulty/dangerous light in west elevator mechanical room

Repaired various damaged trellises

Purchased new bike rack  
Installed new landscaping on bike room roof  
Repaired failing heat tape  
Installed gutter to prevent ice buildup on the exterior of \_12 stack  
Installed new gutter on central stair tower  
Repaired industrial washing machine  
Replaced key switch and added lubrication to west elevator  
Repaired damaged phone lines  
Replaced failed spa timer controls  
Replaced failed spa jet controls  
Repaired leaking valve in pool mechanical room  
Repaired leak in west crawl space  
Initiated insurance claim and mitigated leak damage in the units in the 13 stack  
Installed new insulation in the west crawl space  
Repaired crawlspace column under units 113-213-313  
Repaired/repainted interior lattices

Projects proposed to be completed this 2023/2024 fiscal year

Continued investigation of re-plastering/re-painting the pool  
Investigation of closing/locking methods for north ski lockers  
Investigate a sensor to reduce hot water recirculation time frames and unit-stack water shutoffs (FloLogic)  
Consider replacement of the crawl space humidistats, as needed  
Zinc coated replacement bolts to be installed on railing bracket mounts for courtyard band board flashing project  
Replacement insulation in the east side crawl space  
Repair walkway and balcony surface coating

## 6. Financial Position

Unaudited actual HOA financial results show an operating fund surplus for fiscal 2022-2023 of \$150,837.36. Management recommended that the board approve carrying this balance forward in the operating fund to partially defray remaining renovation/development project related soft and hard costs of \$53,660 that are part of the operating fund, pending review by the external auditor for potential tax consequences. The difference between these two amounts was carried forward within the operating fund to reduce the 2023-2024 assessments.

The (new) arrival center reserve fund at fiscal year-end amounted to \$3,387.10. This reserve is funded by rents paid by the management company for sharing use of the space with the HOA.

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 surplus to budget of \$8,043.

There are currently no owners who are delinquent on assessment payments.

The Reserve Fund (Non-Arrival Center) and the Reserve Fund – New Arrival Center balances as of December 31, 2023, were \$222,606.85 and \$4,887.10, respectively. The \$113,237 in the old arrival center fund was used to defray a portion of the costs of the construction of the new arrival center.

The owner of Enclave 302 Bob Mahoney asked if operating budgets were set taking into consideration the closing of the property due to the renovation/development project. Mike George discussed how the management company attempts to make logical assumptions on the operation of the property, and Mike said that most fixed costs such as service contracts and insurance premiums are unchanged by the closure of the property.

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

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 02/28/24 for these efforts amount to \$1,416,469. 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 \$619,127 – leaving a present deficit for these efforts of \$797,342. The Board is in the process of determining how best to address this deficit.

Mr. George discussed the anticipated remaining future costs for the project and the status of the HOA project loan. Because of delays in the completion of the project, the \$1.8 million loan that the HOA obtained to provide project financing has yet to be used. The loan is to be funded by annual special assessments. The HOA levied its first annual special assessment for this purpose and has collected \$71,460 from owners as of the fiscal year end date of September 30, 2023. Mel mentioned the reason that the HOA didn't levy a special assessment for fiscal 2023-2024 was because escrow funds on hand to fund the project have yet to be exhausted – the loan will start to be used, once the escrow account reaches a zero balance. Mr. Garon will assist management in discussions with Timberline bank, as to how the loan repayments will be managed.

The owner of Enclave 210, Chad Tameling, wanted confirmation that a special assessment will be levied in the future, but not until the loan is accessed. Mike G. confirmed that, at present, the HOA has no plans to otherwise levy a special assessment other than to provide funds to repay the referenced loan. Owners may choose to pay off their allocated portion of the loan principal and applicable interest at any time. Once the new units are incorporated into the HOA, the applicable assessment allocations and common costs including the loan repayment will likely be reduced, as assessment allocations will be recalculated between all owners including

the owners of the new and expanded units.

#### 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 replacement value for the purposes of paying for a property damage claim, while maintaining separate claims history evaluations. The aggregate replacement value of all three properties under the master policy is \$132,844,134.

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 square foot over 62,220 square feet of improvements, based upon exterior square footages (which for computational purposes includes the legacy square footages of the carports and the old arrival center building). Because the new arrival center, carports, and old arrival center remain under a construction permit, coverage for these improvements are presently under a builder's risk policy purchased by the Association. Once construction is completed, these property limits for the association will be amended to include estimated replacement costs for those assets. Under the master policy limit of \$132,844,134, 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. These replacement amounts noted herein are intended for use by the HOA to replace common improvements that may become damaged because of a covered incident.

If a unit owner has renovated kitchen or bath areas, performed other interior modifications, or purchased a Unit that had interior modifications performed after 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. Insurance coverages obtained by the HOA may not provide funding for all the costs that may result from a covered incident. 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, which is also separate from the property limits. For fiscal 2023-2024 the Association purchased a minimum premium worker's compensation policy, primarily to protect against uninsured subcontractors working on site who might become injured and levy such a claim against the Association.

Meghan Wilson 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 Ms. Wilson 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

Frias Properties of Aspen and Snowmass (FPAS) became the management agent for The Enclave on June 1, 2023.

In April of 2023, the Town of Snowmass Village enacted a compulsory short term rental unit license agreement that requires rental unit owners to hire and identify a local manager to be available to respond 7 days a week / 24 hours a day / 365 days a year to issues related to rental occupancy. Currently, all but two units at The Enclave have engaged FPAS to manage their Units.

Mike G. listed winter 2023/2024 rental performance numbers, noting that the Enclave is pacing above market. The owner of Enclave 312 Lee Spiegler indicated his dissatisfaction with Frias's ability to rent his unit and communicated about his issues. Mike G. reaffirmed that the Enclave rental units in the aggregate are currently performing at a superior rate compared to the rest of the rental market, as is unit 312.

## 8. Renovation and Expansion Project

Mr. Blumenthal then initiated a discussion of the HOA renovation/development project. The HOA renovation portion of the project is nearing substantial completion, with most of the remaining work, except parking garage C, expected to be finished prior to the start of summer of 2024. The new carport C that will be built adjacent to the old arrival center is estimated to be completed by Thanksgiving 2024 to allow Real America time to complete the building of its new units and the covered parking garage under the new units. The owner of Enclave 302 Bob Mahoney asked about any potential future property closures. Mr. Blumenthal and the owner of Enclave 111 and 211 Ronda Shrewsbury, who is also the owner of Real America, LLC, confirmed that there were no anticipated property closures. (Subsequent to the annual meeting, the HOA issued a correction notice to the members: While the HOA does not oppose occupancies after the end of the 2023/2024 ski season on April 14, 2024, the Town of Snowmass Village has not approved occupancies after May 1, 2024, while the property remains under its construction permit. Real America has the action item to request an amendment to the current Temporary Certificate of Occupancy (TCO), to allow those occupancies during the spring of 2024 and before the start of the 2024 summer season.) The owner of Enclave 212, Robert Purdy, asked about the lobby elevator and whether it could be replaced in the future. Mr. Blumenthal responded that the HOA had not been apprised by its architect or the general contractor of the operational limitations of the elevator prior to its installation. The HOA only became aware of these limitations following completion of the construction of the building and the installation of the elevator at which point it was virtually impossible to exchange the deficient elevator for a more

operationally appropriate commercial elevator. He commented that members of the Board are meeting with the architects and the elevator installer in the coming weeks to determine if there is anything that can feasibly be done to speed up the current elevator.

## 9. Old Business

### Parking

Any tenants or their guests while on property that park in the tandem parking spaces on the property will need to leave their keys with the front desk staff for safety and security purposes. All owners who leave their vehicles on property need to leave a set of keys with the front office to be used in the event that cars need to be moved in case of an emergency. The owner of Enclave 104, Mr. Losi, asked if there will be designated parking spots once all spots are available. Mr. Blumenthal responded that spots will no longer be designated as they were in the past.

### Reminder of longstanding HOA dog rules

Mr. Blumenthal reiterated the longstanding rule that units in the rental pool cannot be rented to guests who intend to occupy the units with dogs. Units used by guests of owners who intend to occupy the units with dogs can only do so if the owner is also in occupancy of the unit at the same time as the guest.

### 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 on the main property roof 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 main property roof shoveled in early February once the snow depth on the roof reached this established safety level.

## 10. New Business

Mr. Blumenthal opened up the floor to questions from owners.

The owner of Enclave 302, Kathy Mahoney, expressed concern about owners and guests leaving trash outside of their units and the trash not being properly disposed of in a timely manner.

The owner of Enclave 112, Kristina Hilb, expressed that advanced notice of construction in a unit should be given to neighboring units of the units having work done.

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

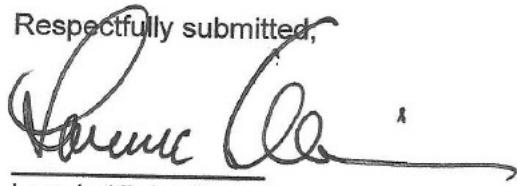
Mr. Taub made a motion to ratify the acts of the Board and/or Directors for the 2022-2023 fiscal year and through the date of this meeting. Mr. Kwarciak seconded, and the motion passed.

Although the declaration states that an outside appraisal is to be performed annually to verify replacement costs, Mr. Blumenthal made a motion to waive the outside appraisal requirement for fiscal year 2023-2024, and Mr. Fisher seconded, and the motion passed. Following completion of the HOA renovation project and the completion of the new units, the Board and management will consider resuming work with a third-party appraiser.

Adjournment

Mr. Blumenthal made a motion to adjourn the meeting 5:30 PM MST. Mr. Taub seconded, and the motion passed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lonnie Klein".

Lonnie Klein, Secretary