

BOD MEETING RANCH HOA JUNE 30, 2010

Meeting was called to order by Pres. Chris Ornes at 5:00 pm at the home of Wilson Strong.

In attendance: Chris Ornes; Wilson Strong; John Pringle; Mike Orth ; Lisa Start, all Board members and Cindi Harless, Keystone Property Management (KPM).

A new law was passed by the Colorado Legislature, requiring all Common Interest Associations to adopt a Reserve Study Plan. KPM, on behalf of all the Keystone HOA's had a draft prepared and it was handed out. It will be reviewed and voted on at the next meeting.

The repairs and other expenditures at the pool were discussed. Now that the pool is acknowledged to belong to Vail Resorts, it will no longer be a budget item for the three Ranch HOA's. Vail will manage the pool, do a budget and assess the homeowners on a monthly basis. A new contract is being prepared to outline the details.

Any capital requirements will be managed and funded by Vail.

The Forest Service Contractor is in the Keystone area cutting and hauling dead trees. They will cover >400 acres and they will be here all summer.

A car hit and damaged the fire access fence on Lichen Ln. KPM has the name of the driver and is working with the Sherriff and seeking restitution. Fence is owned by the 3 ranch HOA'a

Cindi reviewed the new KPM person replacing Stan. We are advised to call any on the new list for assistance.

The net for the tennis court is missing. A new one will be bought and expensed to all HOA's on a pro rata basis. The 3 HOA's own the courts.

We have 4 homes past due, Lowrance is in bankruptcy, the two Geiskes houses, past due since Nov. and Bower, since March 2010. We have a lien on Lowrance and new liens will be filed immediately per the rules.

Cindi will work with the Summit County Fire Mitigation folks on how we may take advantage of grant money. We have not accepted grant money in the past due to the requirement to cut trees near homes. When discussed with the owners, they do not want live trees removed for fire mitigation.

Mike Orth brought us up to date on the roads. Still waiting on the consultant proposal for road bed sampling and other data to be used to formulate a medium and long term plan. Roads need to be cracked sealed each year. Work will beginning shortly and take about 4 weeks. Cadwallader is doing the work, cost approx \$8k.

Chris will continue to work the road % split for plowing and repairs with KPM.

Budget is \$6,000 favorable with over spending in maintenance and windblown tree removal and under spending in plowing due to less sand etc.

Tree and weed spraying continues with packs supplementing tree spraying. Expect 100 % of remaining trees to be treated.

The latest water report was reviewed. No issues.

The Keystone Property Improvement District (PID) was reviewed. We will hand out the information from the Keystone Citizens League web site. The BOD is not taking a position on this project. Some are for, some against.

There was much discussion about the planned presentation by G. Sutton. Wilson and John recently met with Sutton. He still would like to see the number of allowed tenants in the Kresge house on Gentian to be controlled by parking rules. He would also like to see fines imposed on violations of the non-disturbance covenant.

The BOD agreed to fine homeowners violating this covenant in accordance with the existing rules which require a written explanation of the event along with other requested info. No such letters have been received by the board to date.

The BOD is not in favor of using parking as a tool to control renting. We will ask homeowners if they agree with the proposed parking rule sent out in a recent Presidents Letter. It would allow for unrestricted parking on paved surfaces without regard to ownership, in exchange for continued homeowner maintenance of the driveways. This is has been the situation for 30 years. Parking on unpaved common ground and any parking obstructing a road will not be allowed.

WARREN "SCOTT" NIX

Mr. Nix is an executive who has held leadership positions with major national and international corporations. He has focused his career on general and operational management positions in high-tech multi-national firms, with an emphasis on improving business performance. During the course of his career he has successfully led business operations through turnaround situations and negotiated several joint ventures and strategic alliances. His expertise in leading manufacturing companies through significant cultural change is well respected in the industry. He has extensive international experience having lived and worked in France, Germany and England.

Mr. Nix has occupied several executive positions such as President, CEO and COO. He participated in the IPO of Lumonics Inc. taking it public in 1995. He ran the Nuclear Division of Allied Signal, also a public company (now Honeywell).

Mr. Nix is a graduate of the United States Military Academy at West Point, NY with a Bachelor of Science in Engineering. He has continued his education with a Master of International Management Degree from the American Graduate School of International Management (Thunderbird) in Glendale, AZ. His military service includes five years as a pilot in the United States Air Force.

Mr. Nix is currently retired living in Lake Sherwood, CA with his wife Kathryn. He continues to participate in business by sitting on boards and participating in business advisory groups. He and his wife enjoy their home in Keystone, CO and spend as much time there as they can. His wife Kathryn is President of her own company in Oxnard, CA.

KEYSTONE RANCH ASSOCIATION, INC.
GENERAL MEMBERSHIP MEETING
JULY 2, 2010

I. Call the Meeting to Order

The Keystone Ranch Association, Inc. General Membership Meeting was called to order by Mr. Ornes at 12:00 p.m. on Friday, July 2, 2010 in the Keystone Center Conference Room.

Board Members Present Were:

Chris Ornes, President, 1 Kinnikinnik Road
Wilson Strong, Vice President, 2023 Keystone Ranch Road
Lisa Start-Khalilian, 70 Lichen Lane
Mike Orth, 50 Kinnikinnik Road
John Pringle, Member, 153 Gentian Road

Homeowners Present Were:

Michael Khalilian, 70 Lichen	C.J. Ornes, 1 Kinnikinnik
Gerald Ireland, 161 Kinnikinnik	Bob Follett, 160 Kinnikinnik
John Williams, 130 Kinnikinnik	Candace Orth, 50 Kinnikinnik
Grover & Maidee Hope, 232 Penstemon	Eileen Terens, 182 Penstemon
William Swagman, 74 Yarrow	Carol Kresge, 203 Gentian
Brad & Adrienne Prokop, 63 Saxifrage	Scott Nix, 1649 Keystone Ranch Rd
Charles Rich, 125 Clover	Jim Brown, 205 Clover
Stacy & Diane Crumley, 204 Clover	Tommie&Carolyn Lohman, 194 Clover
Mary Zutter & Sam Santoro, 1797 KRR	Lanny Brent, 1837 KRR
Richard & Phyllis Smith, 100 Wild Iris	John & Ariel Bowers, 85 Wild Iris
Lois Rae Beall, 1957 KRR	John Pringle, 153 Gentian
William&Barbara Van Brunt, 83 Gentian	Annette & Gerald Fricke, 283 Gentian
Gregory & Margaret Sutton, 200 Gentian	Sherry Strong, 2023 KRR
Donald & Sandra Chisholm, 2260 KRR	Mark & Bette Morris, 2459 KRR

Guests Present Were:

Leon Levy, East Ranch	West Foster, West Ranch
Lee Zimmerman, Summit Foundation	Kasey Geoghegan, Summit Foundation

Representing Keystone Property Management was:
Cynthia Harless, Senior Property Manager

Erika Krainz of Summit Management Resources was recording secretary.

II. Determination of Quorum

With owners represented in person or by proxy a quorum was reached.

III Approve Previous Meeting Minutes

Mr. Williams made a motion to approve the minutes of the December 30, 2009 Homeowner Meeting as presented. Dr. Ireland seconded and the motion carried.

IV. Homeowner Education

Mr. Zimmerman and Ms. Geoghegan provided an overview of the Summit Foundation programs. The organization was formed in 1984 and has distributed \$12.5 million to over 100 different charities and for 500 scholarships for high school students. Grants fund non-profits providing services in Grand, Park, Lake and Summit County. Funds are raised in various ways. There are 300 transferable ski pass medallions from the ski area. They also partner with 25 local businesses for employee giving programs with some businesses matching the employee contributions. They also engage in traditional non-profit appeal campaigns. Special events include a golf tournament in June, the Mountain Arts Gathering in July and the Annual Duck Race in September. The Foundation is a beneficiary of the local Parade of Homes. There is a significant Endowment Fund and some individuals or businesses provide donor advised funds. About 1/3 of the contributions come from second home owners. The Annual Report was provided for interested owners.

V. Financials

A. *Year-to-Date Statement of Operations as of 5/31/10*

1. Operating Surplus – There was a \$6,093 Operating surplus through the end of May, mainly in snow removal. It was a fixed contract so the savings may just be a billing timing issue.
2. Capital Reserve – \$345,328 and increasing by \$9,145 per month.
3. Cash and Due From Vail Resorts - \$387,240.

B. *Owner Delinquencies*

1. 162 Penstemon – \$2,050.
2. 142 Penstemon – \$2,050.
3. 273 Penstemon – \$7,000 and in bankruptcy.

Liens will be filed on these three properties on 7/5/10.

VI. Operations Report

A. *Trees*

1. There were 52 trees cut this year.
2. The Association will be spraying 2,800 trees and hanging 80 pheromone packs at cost of \$21,960.
3. A Cut Above is looking into reforestation options.
4. There are USFS contractors working on the Ranch to clear 400 acres this summer.

5. Weeds will be sprayed July 6 and once more this summer. Notices of the schedule will be posted and put on the website.

Mr. Khalilian said there was now a spruce beetle problem and there was also an aspen fungus. He provided a flyer for an organic contractor who can spray the aspen trees to protect them.

B. Signs

The property signs are being painted or replaced as needed.

C. Picnic

The three Associations combined for a potluck picnic yesterday at a total cost of \$300. The Keystone Owners' Picnic will be on Sunday at the Keystone Stables.

D. Busing

There have not been any new developments on the busing situation and it is unlikely that bus service will be resumed for the Ranch.

E. Keystone Property Management Staffing

Ms. Harless is the new Property Manager for the Ranch. Mr. Don Dobson will be working with her.

Keystone is trying to go "paperless" and has sent owners a document to sign if they are willing to participate.

F. Road Report

A proposal was received from the road consultant yesterday. It will be reviewed over the next week or two. All roads will have the cracks filled at an approximate cost of \$8,000. The strategy is to maintain the roads as long as possible before repaving. Short and long term plans will be developed with corresponding budgets. Mr. Khalilian said there were some large potholes in some areas that should be addressed at the same time. Mr. Ornes encouraged owners to report any holes that could be a safety concern to management. Mr. Ornes said he had heard a rumor that Keystone was going to spend \$1 million to bring the road up to code.

Ms. Crumley described some changes she wanted to make to her driveway. She was told to work with Mr. Pringle. She asked if there was a problem with planting trees. Mr. Ornes said owners could plant trees as long as they are the appropriate species and do not block any sight lines for drivers.

The drainage improvements to Gentian and Clover Lane are working really well.

G. Water System

The Ranch replaced a well pump in 2009. All hydrants are in good condition. All curb stops are being mapped with a GPS. Owners were reminded to mark their water shutoffs with a post or pole painted blue at the top.

VII. Public Improvement District

The Keystone Beautification Committee has transformed into a PID concept at a cost of about \$6 million. There is information available at the Keystone Citizen's League website. The Board is not taking a position as some members are in favor and some are opposed.

Mr. Ornes said he was in favor of improving the appearance of the highway corridor but not with such a large price tag. Only Colorado registered voters or full time residents registered to vote in Summit County will be eligible to vote if this issue makes it onto the November ballot.

VIII. New Business

A. *Gentian Road Rental Property Issues*

Mr. Sutton and Mr. Van Brunt gave a presentation regarding noise, excessive occupancy and parking problems with a neighboring rental home on Gentian Road. They were mainly concerned that the activities could negatively impact the value of other homes in Keystone Ranch. Several owners agreed that this was not an Association issue and recommended that the owners contact the property owner.

Ms. Kresge apologized to Mr. Van Brunt and Mr. Sutton and said she wished they had contacted her. She said she limits her rental guests to five vehicles. She said she would aggressively address any concerns. The property is usually rented for corporate retreats or family reunions.

Mr. Ornes said the Association's attorney indicated that the Association could ban rentals completely or create any type of reasonable restrictions that can be controlled and enforced but Mr. Ornes was concerned that the Association could be sued for damages if they restrict an owner's income flow.

Mr. Ornes said the Board's position is that parking is not really the problem. The problem is noise. The Association has an agreement with Keystone Security to tow any car that impedes traffic. Noise violations can be dealt with by fining the property owner.

B. *Parking Issues*

Mr. Ornes explained that most driveways do not extend all the way to the road. The land between the lot and the road is common area. The Declarations prohibit parking on common land but this has never been enforced. The Association is responsible for maintenance of all common land.

The Board has broad power to make rules regarding the use of the common area and does not necessarily have to enforce all the Declarations and Bylaws. If the Board decided to enforce the parking restriction, the Association would then have to maintain the portion of all the driveways that are on common area.

The owners were asked how they would like this issue to be handled and the majority indicated that they did not feel any changes were necessary to the current parking policy enforcement.

IX. Board of Managers Election

Mr. Ornes term has expired and he has reached his term limit. There were no nominations received from the membership prior to the meeting. The membership recognized Mr. Ornes for his service. Mr. Strong nominated Mr. Nix for a three year term and provided biographical information. Mr. Fricke seconded the nomination. There were no other nominations from the floor. A motion was made to elect Mr. Nix by acclamation. The motion was seconded and carried.

X. Real Estate Report

Mr. Pringle reported that there was about six years of inventory in Summit County right now. The market is trying to turn around. There have been 149 sales in the past year. There are not many foreclosures in the entire County. The number of listings is up 11% compared to last year and sales are up 24%. In Keystone there are about 312 listings equating to a two year inventory. There is a four year inventory for homes and about 1.8 years for condominiums. There has been a slight increase in sales. Half of all sellers have reduced their prices at least once. He did not think the market had bottomed out yet. The average discount is about 9.2% off the listing price. Rates are pretty good and there is some financing available.

Current Keystone Ranch Listings:

<u>Address</u>	<u>Bedrooms/Baths</u>	<u>Sq.Ft.</u>	<u>List Price</u>
140 Lichen Lane	4/4.5	4,759	\$997,000
114 Yarrow Lane	5/6	4,248	\$1,299,000
47 Phlox lane	6/6.5	5,000	\$1,825,000

Recent Keystone Ranch Sales:

<u>Address</u>	<u>Bedrooms/Baths</u>	<u>Sq.Ft.</u>	<u>Sale Price</u>	<u>Sale Date</u>
2153 Keystone Ranch Rd.	6/5	4,956	\$1,500,000	9/11/09

XI. General Discussion

A. *Evacuation Plan*

There have not been any new developments regarding the evacuation plan since last year. The fire hydrants have been tested and are functioning property.

B. *Solar Light for Mailbox*

A solar light with a motion sensor will be installed on the mail shed.

XII. Set Next Meeting Date

The next Homeowner Meeting was set for December 30, 2010 at 9:00 a.m.

XIII. Adjournment

With no further business, a motion was made to adjourn the meeting at 1:52 p.m.

Approved By: _____ Date: _____
Board Member Signature

The Ranch Association Board Meeting Minutes

December 28, 2010

The meeting was called to order by John Pringle, Board President.

-Discussion on Lichen Lane ditch repair. Work was completed in the fall just before the first big snow fall.

-Parking and Speeding issues on Lichen Lane. Cars have been parking on the road for access to sledding, snow shoeing etc. There was discussion on signs for "No Parking" Property Management will work with the board to design signs and install.

-Discussion on lighting for Ranch mailboxes. Research will be done and reported back to the board by Property Management.

-June 30, 2010 Board Meeting Minutes were approved.

-REV RULE 70-604 was adopted. Annual surplus of operating funds compliance for tax return considerations.

-Discussion on annual member meeting. Should there be 2 meetings a year or just 1, with an event planned around the holidays for homeowners?

-CY2011 Budget Review

-Sheriff Patrol Discussion

-Trash area discussion, Schedule holiday pick ups 2-3 times per week

-Bad Debt discussion, look into policy and revise as needed.

-Discussion on consistently late owners for paying dues. Looking into options for this.

-Discussion on investment policy and revising.

-CY2011 Keystone Ranch Budget Approved

-Discussion on planting or doing anything on common area land. This is to go through the Board first. Please call John Pringle if desire to do landscaping.

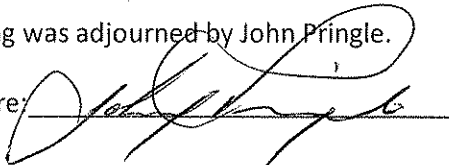
-Decision was made to move tree spraying expense for 2010 to capital budget.

-Discussion on bus transportation

-Discussion on July meeting dates.

-Meeting was adjourned by John Pringle.

Signature: _____



Date: 1-15-11

KEYSTONE RANCH ASSOCIATION, INC.
GENERAL MEMBERSHIP MEETING
DECEMBER 30, 2010

I. Call the Meeting to Order

The Keystone Ranch Association, Inc. General Membership Meeting was called to order by Mr. Pringle at 9:15 a.m. on Thursday, December 30, 2010 in the Keystone Center Conference Room.

Board Members Present Were:

John Pringle, President, 153 Gentian Road
Wilson Strong, Vice President, 2023 Keystone Ranch Road
Lisa Start-Khalilian, Treasurer, 70 Lichen Lane
Scott Nix, Member, 1649 Keystone Ranch Road

Homeowners Present Were:

Michael Khalilian, 70 Lichen	Bob & Nancy Follett, 160 Kinnikinnik
Candace Orth, 50 Kinnikinnik	Eileen Terens, 182 Penstemon
Katherine Nix, 1649 Keystone Ranch Rd.	Larry & Sue Wood, 293 Gentian
Ron & Maryanne Raab, 84 Clover	Richard & Phyllis Smith, 100 Wild Iris
Annette & Gerald Fricke, 283 Gentian	Sherry Strong, 2023 Keystone Ranch Rd.
Bette & Cynthia Morris, 2459 Keystone Ranch Rd.	
Mary Zutter & Sam Santoro, 1797 Keystone Ranch Rd.	

Guest Present Was:

Leon Levy, East Ranch

Representing Keystone Property Management Were:

Cynthia Harless, Senior Property Manager Don Dobson, Property Manager

Erika Krainz of Summit Management Resources was recording secretary.

II. Approve Previous Meeting Minutes

Mr. Follett made a motion to approve the minutes of the July 2, 2010 Homeowner Meeting as presented. Ms. Fricke seconded and the motion carried.

III. Financial Reports

A. *Year-to-Date Statement of Operations as of 11/30/10*

Mr. Pringle reported that the Association ran over budget in 2010. Crack sealing was an unbudgeted expense and will be paid out of the Replacement Fund. Legal fees were over budget and tree spraying was \$7,000 over budget due to spraying of additional trees. In total, the Association spent \$37,000 on tree marking, spraying and removal.

The three Ranch Associations are in the third year of the snow removal contract. The total annual cost is \$90,000 and the Ranch Association pays about \$35,000 of that total. All financial reports are posted on the website. Vail Resorts realized this past year that they own the pool so the expense is now being charged to each Association as a budget line item instead of to each owner individually. The annual pool expense for the Ranch will be \$16,000. This is included as part of the monthly dues figure on your billing statement. Dues will decrease from the current \$361.52/owner/month to \$345/owner/month for 2011. This year the Association contributed about \$100,000 to the Replacement Fund and the current balance is about \$400,000.

B. Reserve Study

A full Reserve Study will be done this year. Association assets include the roads and a shared portion of the tennis court. HP Geotech has been contracted to do a road study. They will take core samples in different locations and provide suggestions for preventative maintenance to prolong the life of the roads.

C. Delinquencies

Several owners are about three months delinquent with their dues payments. It may be a result of the switch to electronic owner statements. The Board is working with legal counsel to identify the options for recourse, such as automatic withdrawal or higher penalties. There is one owner in bankruptcy.

IV. Review of Projects

A. Completed Projects

1. Culverts on Gentian/Clover/Kinnikinnik – completed in the summer of 2009.
2. Ditch Filled on Lichen Lane – completed in the fall of 2010.
3. Crack Sealing of Roads – completed in the summer of 2010.
4. Grounds Clean-Up – completed in the summer of 2010.
5. Address and Name Signs – completed in the summer of 2010.

V. Old Business

A. Parking Rule

The Board passed a parking rule based on the owner input from the July meeting. A copy was provided in the meeting packet and it is also posted on the website.

B. Mr. Khalilian said there were parking issues with hunters and bikers who do not live in the Ranch. He said the Sheriff's Department could not enforce parking issues unless so directed by the Board. Ms. Harless said "No Parking" signs could be installed.

C. Common Area Landscaping

Owners who would like to plant trees around their houses on common area should get authorization from the Board. Please call John Pringle.

D. *Tree Spraying and Cutting*

Last year the Association used A Cut Above for tree spraying and cutting. They are good at cutting but not so good at spraying. Ms. Harless explained that some trees were not sprayed initially due to a pending grant for fire mitigation, but they were ultimately sprayed. Mr. Khalilian was concerned about health issues with the chemicals used and recommended looking into organic alternatives. Ms. Harless said some trees were treated with pheromone packets instead of spraying. Next year she will work with the Forest Service, walk the Ranch and get recommendations for future treatments. The Association removed 85 dead trees this past summer. Mr. Follett commented that the Forest Service land adjacent to the Ranch that was disturbed by tree cutting would be susceptible to thistle and false chamomile infestation and he recommended the Board take a proactive approach with the Forest Service. The USFS clear cutting around the Keystone Ranch property has been mostly completed with pockets in East Ranch and West Ranch to be completed in 2011.

E. *Weed Spraying*

The Association budgeted \$2,500 for weed spraying but the actual cost was \$10,000 and it was not well done. Ms. Harless will contact several contractors for next summer to get bids and develop a plan.

VI. Real Estate Report

Current Keystone Ranch Listings:

<u>Address</u>	<u>Bedrooms/Baths</u>	<u>Sq.Ft.</u>	<u>List Price</u>
114 Yarrow Lane	5/6	4,248	\$1,299,000
47 Phlox Lane	6/6.5	5,000	\$1,750,000
233 Penstemon	4/4	3,400	\$ 849,900
1631 Keystone Ranch Road	5/5.5	4,880	\$1,099,000

No Keystone Ranch properties have sold in the past year.

Mr. Pringle reported that single-family homes were the softest segment of the market with a listing inventory of approximately four years. The condominium inventory for sale is about 1.7 years. There are 21 lots for sale and there have not been any closings in the past year. Sales in Keystone overall are up about 7% but some of the sales prices have been very low. Keystone property values dropped between 15 – 20% since the market peak in early 2008, which is better than some other resort areas that do not have easy access from Denver. Sales are tracking ahead of last year, which was the worst year in a decade.

VII. New Business

A. *Mail Delivery*

Mr. Orth had mentioned that he was getting mail from other owners delivered in his mailbox. Owners were asked to check their boxes to make sure they do not have mail from other owners. Ms. Harless was asked to create an alphabetical owner list.

B. Public Improvement District

The Public Improvement District was defeated by a large margin. Mr. Pringle anticipated there would be renewed focus to improving the Four Corners area.

C. Owner Comments

1. Ms. Morris commented that they had a medical emergency around Christmas and she wanted to recognize the emergency service for their prompt response.
2. Mr. Khalilian recognized Ms. Harless and the Property Management staff for their responsiveness.
3. Mr. Fricke suggested having the three Ranches and Keystone look at making some improvements to the guard house and log gate. Ms. Harless said she obtained a bid to get the Keystone Ranch entrance sign painted but it was not accomplished before the weather turned too cold. Mr. Pringle said this project could be added to the Board list.
4. Ms. Terens said the dumpster area was very messy after Christmas. Ms. Harless said it was mainly an issue during the holidays and she called for additional pick-ups. Mr. Pringle said the Board would look at improved signage to remind users to break down cardboard boxes. Ms. Harless will also send a communication to all owners with information about recycling and appropriate disposal options for other non-trash materials.
5. Mr. Smith commented that he just received a \$50 bill from the County with a request for him to register his alarm system. The County requires this registration in order to respond to alarms.

D. Light at Mail Shed

Mr. Khalilian said the solar light options were not working well at the mail shed and the shed should be wired with electric power if owners want a functioning light. Several owners agreed that a light was not necessary; owners can use their car headlights to illuminate the area at night.

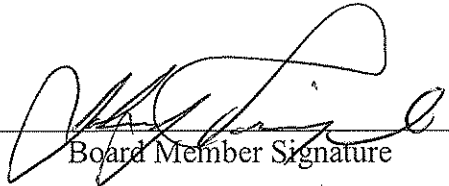
VIII. Set Next Meeting Date

The July Homeowner Meeting date was not set. Mr. Pringle said the three Ranch Associations would have a joint picnic at the Ranch again in July.

IX. Adjournment

With no further business a motion was made to adjourn the meeting at 10:30 a.m.

Approved By: _____



Board Member Signature

Date: _____

1-15-11