

KEYSTONE RANCH ASSOCIATION, INC.
GENERAL MEMBERSHIP MEETING
JULY 2, 2011

I. Call to Order

The Keystone Ranch Association, Inc. General Membership Meeting was called to order by Mr. Pringle at 1:14 p.m. on Saturday, July 2, 2011 in the Keystone Center Conference Room.

Board Members Present Were:

John Pringle, President, 153 Gentian
Wilson Strong, Vice President, 2023 Keystone Ranch
Lisa Start-Khalilian, Treasurer, 70 Lichen
Mike Orth, Member, 50 Kinnikinnik
Scott Nix, Member, 1649 Keystone Ranch

Homeowners Present Were:

Richard & Phyllis Smith, 100 Wild Iris	Chris & C.J. Ornes, 1 Kinnikinnik
Nancy Follett, 160 Kinnikinnik	Larry & Sue Wood, 293 Gentian
William & Barbara Van Brunt, 83 Gentian	Bette Morris, 2459 Keystone Ranch
John & Martha Williams, 130 Kinnikinnik	William & Ann Swagman, 74 Yarrow
John & Ariel Bowers, 85 Wild Iris	Kathryn Nix, 1649 Keystone Ranch
Grover & Maidee Hope, 232 Penstemon	Mike Khalilian, 70 Lichen
Sherry Strong, 2023 Keystone Ranch	Kristi Blincoe, 142 Penstemon
Gerald Ireland, 161 Kinnikinnik	Gerald Fricke, 283 Gentian
Don & Sandy Chisholm, 2260 Keystone Ranch	
La Maison, LLC, Manager Laura Chorbajian, 373 Penstemon Road	

Guests Present Were:

Leon Levy, East Ranch	West Foster, West Ranch
Ryan Vas Nunes, Colorado Tree Specialist	John Panik, Keystone Emergency Services

Representing Keystone Property Management Were:

Cynthia Harless, Senior Property Manager Stacy Schellsmith, Property Manager

Margot Mayer of Summit Management Resources was recording secretary.

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

II. Approve Previous Meeting Minutes

A motion was made to approve the minutes of the December 30, 2010 Homeowner Meeting as presented. The motion was seconded and carried.

III. Financial Update

A. *Year-to-Date Statement of Operations*

Mr. Pringle said all financial reports were posted on the Association website at www.keystonereresortpm.com. Each owner can create a log in ID.

As of May 31, 2011 the Association was operating \$18,000 favorable to budget mainly due to delayed repairs because of late season snowfall.

B. *Replacement Fund Review*

As of May 31, 2011 the Replacement Fund balance was \$425,000. Two years ago, \$125,000 was allocated to the Replacement Fund and last year the contribution was \$70,000. Mr. Pringle noted that the Association needed to save money for future road repairs.

C. *Pool Budget*

Last year's dues for the pool were \$18 per unit with \$1 allocated to the Replacement Fund. With the new pool structure, dues have been reduced to \$16 per month. At this point there is no Replacement Fund but will be re-established in next year's budget.

IV. Operations Report

A. *Tree Removal and Tree Spraying*

The tree removal contract has been awarded to Mr. Vas Nunes of Colorado Tree Specialists. Mr. Vas Nunes said most of the trees looked healthy. An owner raised concern about the effect of tree spraying on children and animals. Mr. Van Nunes said the chemical was the safest on the market and it is also used by the Forest Service. It is only harmful if it is inhaled or comes in contact with the skin. The same chemical is used in dog collars. Dogs should be kept off the grass for 48 hours after the spraying. He will wash down decks and cars that have any chemical overspray.

The trees that were sprayed last year were marked with a green tag. Trees that will be sprayed this year are marked with a brown dot on the green tag. Approximately 700 trees will be sprayed after July 4th. An owner asked how effective the spraying was. He said he read a study that showed that about 80% die regardless of spraying. Mr. Van Nunes said that in his experience, spraying has been 98% to 99% successful. Most of the trees around the Ranch are 80 to 90 years old and have about 20 to 30 years of life left. He explained that he has been 70% successful using pheromone packs. He said he will be using them at the East Ranch first time this year. He suggested hiring an unbiased third party to survey the complex and to provide a second opinion. He said he would not recommend elimination of all spraying.

Mr. Van Nunes said 90 trees would be removed. Trees that will be removed are marked with yellow and blue flags. For the most part, trees that will be removed are dead standing, leaning towards a structure or over a driveway or aesthetically unattractive. Any blown down trees will be removed. The Forest Service has been cutting trees to create defensible space. He said owners should consider removing trees that are close to their homes to create a fire break. Propane and gas tanks should be kept 30 feet away from any structure.

An owner asked if there was any government funding available. Ms. Schellsmith will research this matter.

B. Weed Spraying

Mr. Vas Nunes said weeds, including thistle, dandelions, oxeye daisies and clover, have been aggressively sprayed. His main focus is on controlling thistles and weeds along the roadside. He will not spray flower beds.

An owner said he started re-planting on his property. He said owners could contact him to get information about which trees grow best. Any newly planted trees need to be watered. Mr. Vas Nunes recommended Ponderosa pine, blue Spruce, Douglas fir, aspen and cottonwoods for the acidic soil. He suggested adding beneficial bacteria to the soil and deep root watering.

An owner commented that stump removal was about \$300. Mr. Vas Nunes said he removed three tree stumps for a neighboring Association for \$35 each. He also recommended spraying for poison ivy.

C. Keystone Emergency Services

Mr. Panik said Keystone Emergency Service provides 24 hour coverage to the Ranch. Services include responding to any accidents, filing incident reports for theft and vandalism, assistance with vehicle lock out, jump starts, assist rides, all fire responses, natural gas leaks, warnings and evacuations, noise complaints, security calls, lost and found items and nuisance from bears and dogs. They work with the local police departments and provide medical coverage. Owners whose homes are unoccupied for long periods of time can call Keystone Emergency Services to have property surveillance. Each shift will do at least one patrol in the neighborhood. There are typically four to six patrols every day by KES. Mr. Pringle said each unit pays \$5.00 per month for these services. The dispatcher phone number is 970-496-4000 and the non-emergency number is 970-496-4135

E. US Forest Service Update

Trees are being cleared behind Keystone Ranch Road and the work is scheduled to be completed by the end of July 2011. Work at the West Ranch is scheduled for completion by the end of September 2011. The smaller slash piles will be cleaned up and the bigger ones will be burned this winter. Owners can leave slash piles at the end of their driveways for pick up. Property Management has been picking them up on a daily basis.

F. Insurance

Mr. Nix said the Board was investigating a more appropriate comprehensive Association insurance that is tailored to single family homes instead of condominium complexes. The Board will compare the coverages once the proposals have been received.

V. New Business

A. Road Study

Mr. Pringle said the Association is required by law to have a Capital Asset budget in place. The Association owns the trees, roads and tennis court and money is being saved for future repairs and replacements. Mr. Orth said a lot of time and money has been spent in the past filling cracks in the road. There were about 3,800 cracks in about 40,000 linear feet costing \$26,000 for all three Ranch Associations. A special sealer was used that is appropriate for this environment and it held up well this past winter. About 95% of the filled cracks are still in good shape. He said it was important to continue maintenance and filling cracks. There are also some draining issues that have to be addressed. He and Mr. Pringle are in contact with a contractor to identify problem areas. One of the goals is for all accumulated sand along the edges of the roads to be cleaned up over time.

Last year road repair was a large expense for the Association; this year the cost will be much less. There is a road study that is divided into three phases. Phase I (analysis) has been completed. There is one problem section of the road by the stop sign by the Ranch House. This problem section will be addressed within the next two years.

Phase II of the study consists of drilling and boring to determine how thick the road surface is.

Phase III will entail a comprehensive report detailing the composition of the road, the thickness and whether there will be a concern with an overlay. The study will recommend yearly maintenance, filling cracks and addressing yearly drainage issues. The Association has a line-item on the budget for road maintenance. The overall strategy is to have repairs and maintenance done at the lowest possible cost to extend the useful life of the roads.

An owner said she was concerned about the large dirt pile between the West Ranch and Summit Cove. It would block emergency egress in case of a fire. Mr. Pringle will have the dirt pile removed.

B. Painting of Signs

This is an ongoing project.

- C. *Slash Pickup*
Owners can deposit their slash at the end of their driveway and Property Management will pick them up.
- D. *Flower Planting*
Flowers were planted around the guard house and flower baskets were put up at the pool and entrance areas.
- E. *Paint Guard House*
This project has been completed.
- F. *Seedling Planting*
A total of 90 seedlings (30 willows and two types of spruce) were planted on the right side between Keystone Ranch Road and the golf course. They are watered daily.

VI. Real Estate Report

Mr. Pringle presented the real estate report and handed out information on current listings and previous sales at the Ranch. Countywide there have been 427 closings this year versus 402 last year. Inventory in Keystone is up to 343 listings this year (about 11% of the total properties) versus 312 last year with approximately comparable sales in 2011 vs. 2010. The listings include 256 condominiums with 135 sold in the past year equating to a 1.9 year inventory, 55 single family homes listed with 16 sales in the past year equating to a three year inventory, and 32 homesites listed with no Resort homesite sales in the past year.

Keystone has an advantage over more remote resort markets due to its proximity to Denver and the Front Range.

VII. Board of Managers Election

Mr. Orth's term expired and he indicated he was willing to serve another term. There were no nominations from the floor.

A motion was made to elect Mr. Orth by acclamation. The motion was seconded and carried.

VIII. Open Discussion

- A. *Trash*
An owner requested more frequent trash and recycling pick ups during holiday seasons.
- B. *Keystone Ranch Pool*
Mr. Levy explained that Vail Administration determined that they own the Ranch pool facility. Vail submitted a one sided Pool/Ranch agreement that is clearly

unacceptable. He said Vail looks at the pool as a huge asset but in reality it is a huge liability and requires considerable upkeep. According to the agreement, Keystone owns the property where the pool is located. The Board will research this matter further.

C. *Water Pressure*

An owner raised concern about how hydrants are tested for water pressure. In case of a fire, the water used would empty the water tanks. She felt it was important to know how quickly the water in the tanks can be replenished.

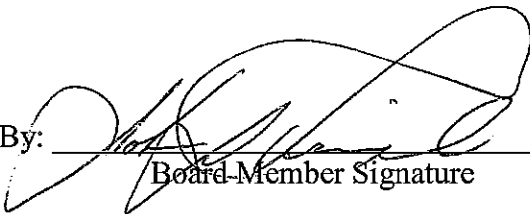
IX. Set Next Meeting Date

The Declarations and Bylaws only allow for one Annual Meeting. Going forward, the format for the second meeting will be changed to a social setting and homeowner forum.

X. Adjournment

With no further business, a motion was made to adjourn the meeting at 2:27 p.m.

Approved By: _____



Board Member Signature

Date: _____

7-16-11

BOD MEETING RANCH HOA JUNE 30, 2011

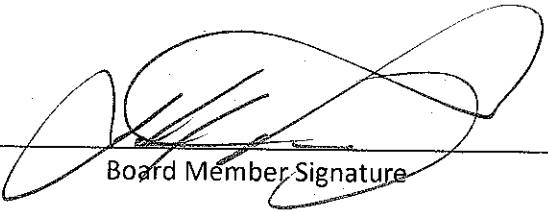
Meeting was called to order at 11:00 AM in the Argentine Conference room.

In attendance: John Pringle, President
Wilson Strong, Vice President
Mike Orth, Secretary
Lisa Start-Khalilian, Treasurer
Scott Nix, Member (via teleconference)
Cindi Harless, Senior Property Manager
Stacy Schellsmidt, Property Manager

The Board meeting served as a walk-through for the Homeowners Meeting on Saturday, July 2.

See Homeowner Meeting minutes for more details.

Approved By: _____


Board Member Signature

Date: _____

6-29-12