

KEYSTONE RANCH HOMEOWNER ASSOCIATION, INC.
BOARD OF MANAGERS MEETING
JUNE 30, 2014

I. Call to Order

The Keystone Ranch Association, Inc. Board of Managers Meeting was called to order by Mr. Pringle at 9:35 a.m. on Monday, June 30, 2014 at 1 Kinnikinnick in the Keystone Ranch.

Board Members Present Were:

John Pringle, President
Jayn Karl, Treasurer
Chris Ornes, Member

Wilson Strong, Vice President
Gerry Fricke, Member

Owner Mike Orth was a guest at the meeting.

Representing Keystone Property Management Were:

Jennifer Adaro-Martin, Senior Property Manager
Megan Nohelty, Assistant Manager

Erika Krainz of Summit Management Resources was recording secretary.

II. Determination of Quorum

With five Board members present a quorum was confirmed.

III. Approve Previous Meeting Minutes

Mr. Pringle made a motion to approve the June 28, 2013 Board Meeting minutes as presented. Ms. Karl seconded and the motion carried.

IV. General Discussion

A. *Culvert*

The collapsed culvert by the Chisholm's may be related to the gas line bore. Sart put down some crushed asphalt where the road was washed out. He will have to add an extension to the pipe and build it back up. The pipe will need to be flushed out of gravel. The original bid was \$900 but due to the additional work required the actual cost will be higher.

B. *Water Use Agreement*

The Board discussed the latest developments related to the Water Use Agreement. Mr. Pringle and Mr. Levy will meet with Mr. Buhler tomorrow to talk about what it

would take to get the system up to speed, to address repairs and to transfer ownership to the Snake River Water Department.

C. *Roads*

Mr. Orth said the repaving was scheduled to take five days but it was completed in two. The contractor will be coming back to do some more shoulder work.

Kinnikinnick will probably be done sometime in the last ten days of July and is scheduled to take five days. The work will include removing the top 4", replacing the road base and relaying the asphalt. The steep corner will be widened. The road will be closed during the day when the crew is working but will be open at night. Owners will be notified once the start date has been confirmed. The utilities may need to be remarked.

The section of road from Gentian to the end of Ranch Road is scheduled for replacement in 2018 but it might be possible to postpone that project with regular crack sealing. There are six areas where potholes are beginning to develop that should be addressed with infrared patching. Mr. Orth will get an estimate to make the repairs at the six areas. He said the Board might want to think about widening the narrow sections of the road. This would entail hiring a civil engineer.

The road worksheet assumes a cost of \$329,000 for the Association's share of the road cost. Mr. Ornes thought the cost estimate of \$133,000 for the remainder of the Ranch Road to the end would not be adequate if the road is widened. The estimates were provided when the engineering report was written three years ago. The section of the road that was just completed was 0.7 mile and the cost was \$168,000. There is 0.5 mile remaining to be done.

The cost to repair the "orphan" road will probably be \$1 – 2 million. If the three Ranches agree to pay \$1 million, the Keystone Ranch portion would be about \$500,000.

Mr. Pringle requested creation of a spreadsheet that tracks all the work done to the roads and the costs per sq.ft.

D. *Entrance Sign*

New concrete will be poured to support the sign. The sign belongs to Vail Resorts and it is assumed that it will simply be rebuilt like the original.

E. *Dues*

Vail Resorts Accounting has separated the Association accounts. Owners now receive two statements. This could be changed back to one statement if the Association would pay Vail Resorts for the entire water bill and collect from each owner. The attorney will be asked if this would be permitted per the governing documents.

V. Financial Review

A. *Year-to-Date as of May 31, 2014*

Ms. Nohelty reported that the Association was operating \$8,255 favorable to budget.

Ms. Nohelty was asked to put additional signage on the trash and recycling dumpsters. Owners should be reminded to use the proper containers and not to dump other items

Ms. Nohelty was asked to remove the Sheriff Patrol line item from the next budget.

B. *Reserve Funds*

The Reserve contribution for the water system was increased to \$50/month this year by eliminating the Sheriff patrol and cutting down fewer trees.

VI. Manager's Report

A. *US Forest Service Update*

The slash at back of Keystone Ranch will be burned in December.

B. *Tree Removal*

Nine trees have been removed so far. Four more will be removed. Mr. Strong said he had two dead trees at the south end of his house. Ms. Nohelty will provide a spreadsheet detailing the tree situation.

C. *Tree Spraying*

No tree spraying will be done by the Association this year.

D. *Weed Spraying*

The weed spraying is underway.

E. *Common Area Clean Up*

The Keystone staff is removing slash from all over the Ranch. They can also remove the slash from individual lots if the owners pile it by the road.

F. *Auto Payment of Association Dues*

Ms. Nohelty will provide a handout at the Annual Meeting with instructions for owners to sign up for ACH.

G. *Roads*

Mr. Orth will provide a road summary.

H. *Driveway Repairs*

Some driveways would benefit from routine maintenance. Ms. Nohelty has a list and will be sending a letter to owners whose driveways are in poor condition. Five or six need reconstructions and about 15 just need sealcoating.

VII. Four Corners Update

Last year the owners approved a budget of \$1,400 to help the KOA and Vail Resorts enhance the Four Corners area. This year the infrastructure for water and electricity will be installed and landscaping started if possible. The main planting will be done next year. The overall cost of the project is anticipated to be about \$200,000. Vail Resorts will be paying half of it. About \$50,000 has been raised by the KOA through Association donations. An effort will be made to collect the remaining \$50,000 from the community.

VIII. Golf Tournament

The purpose of the golf tournament is to encourage owner involvement. The tournament will include nine holes of golf with lunch after and an award ceremony.

IX. Recess and Reconvene

The meeting was recessed at 11:27 a.m. and reconvened on Wednesday, July 3, 2014 at ?? p.m.

X. Election of Officers

made a motion to appoint Officers as follows:

- President
- Vice President
- Treasurer
- Secretary
- Member

XI. Adjournment

A motion was made to adjourn the meeting at p.m.

Approved By: _____
Board Member Signature

Date: _____

KEYSTONE RANCH HOMEOWNERS ASSOCIATION, INC.
GENERAL MEMBERSHIP MEETING
JULY 2, 2014

I. Call the Meeting to Order

The Keystone Ranch Association, Inc. General Membership Meeting was called to order by Mr. Pringle at 2:11 p.m. on Wednesday, July 2, 2014 in the Keystone Ranch Living Room.

Board Members Present Were:

John Pringle, President
Chris Ornes, Member

Gerry Fricke, Member

Homeowners Present Were:

Jim Caisson, 162 Penstemon	Eileen Ivers, 182 Penstemom
Donald Chisholm, 2260 Keystone Rd	Mike Orth, 50 Kinnikinnik
Mark & Nancy Follett, 160 Kinnikinnik	Annette Fricke, 283 Gentian
Harley & Mardy Williams, 130 Kinnikinnik	Adrienne Prokop, 63 Saxifrage
William & Ann Swagman, 74 Yarrow	Gerald & Cindy Ireland
David & Kris Ciccolo, 1631 Keystone Rd	Tom Loucks, 2399 Keystone Rd
Grover & Maidee Hope, 232 Penstemon	Larry & Sue Wood 160 Kinnikinnik
Barb & Dan Munyon, 112 Penstemon	Rebecca Ferrera, 2059 Keystone Rd
Richard & Phyllis Smith, 100 Wild Irishman	

Leon Levy from the East Ranch, Lisa Poole, Steve Cornellier and Phil Tobias were guests at the meeting.

Representing Keystone Property Management Were:

Chuck Randles, General Manager
Jennifer Adaro-Martin, Senior Property Manager
Megan Nohelty, Assistant Property Management

Emma Spofford of Summit Management Resources was recording secretary.

A quorum was confirmed. Introductions were made and Mr. Pringle recognized the key Property Management personnel and meeting guests.

II. Resort Update

Mr. Cornellier and Mr. Tobias gave a resort and golf course update. Keystone has collaborated with the County to improve the bike trail system, which has included resurfacing the paths and new signage. The Keystone Village lake has been refilled after being emptied for repairs to the Lakeshore Building foundation. The lake has been restocked with new fish (the previous fish were released in the Snake River). Removal of pine beetle damaged trees on the golf courses continues. Approximately 3,000 trees were

removed around the first two holes of the Ranch Course and 7,000 from the River Course. This project will continue over the next three years. "No Smoking" signs have been posted throughout the golf courses. The Four Corners project will start this summer. This project is being funded by the homeowners, the County and Keystone Resort. Work was completed to the medians along Highway 6 last year. Century Link is laying new cable along Highway 6, which will allow for improved telecommunication services. Xcel will be following behind Century Link. Snag golf is now being offered at the Ranch course. This is an enhanced version of putt putt, which involves tennis balls and sticky targets and is a kid friendly activity. There are a number of golf events planned for this summer including lunch and learn workshops at the River Course and women's play day. There are also a plethora of daily activities taking place throughout the Resort, including Friday Afternoon Club on the mountain, which includes a free gondola ride.

III. Approval of Previous Meeting Minutes

A motion was made by Mr. Follett to accept the minutes of the July 1, 2013 Homeowner Meeting as presented. The motion was seconded and carried.

IV. Election

Mr. Pringle explained that Mr. Orth resigned from his position on the Board earlier in the year. The Board appointed Mr. Ornes to serve out his term, which expires at this meeting. Mr. Ornes has indicated that he would like to be considered for reelection. The floor was opened for nominations and there were none. The nominations were closed and Mr. Ornes was elected by acclamation.

V. Real Estate Report

This report was given by Mr. Pringle. There are six single-family homes listed for sale in the Ranch area and ten amongst all three Ranch areas. One Ranch home has sold in the last 12 months, which was 1649 Keystone Road for \$1,225,000 (\$317.36/sq.ft.). Sales have increased 18% this year compared to the lowest point of the market in 2010. Keystone Resort's single-family home inventory is at 32 properties, which equals an inventory of 1.52 years. At one point during the slump the inventory backlog was at five years. The overall inventory in all categories of property throughout the Resort is 8.3%.

There are three new areas under development in the Keystone Resort area. This includes 10 single family home sites at the Estates at the Alders, 14 half duplexes known as the Alders Townhomes and 22 custom built single family homes with a Bavarian theme in an area near River Run called Dercum Dash. Properties being sold in Keystone represent about 18% of total sales for Summit County with Frisco being the leader at 41%.

VI. Financial Review

A. *2014 Year-to-Date Financials*

As of May 31, 2014 the Association was operating with a surplus of \$8,255. There were no delinquent homeowner accounts.

B. *Reserve Funds: General, Pool, Water*

The total balance of the Maintenance Reserve Capital accounts as of May 31, 2014 was \$599,940. Mr. Pringle explained each owner contributes \$5 for the pool, \$50 for the water system and \$60 for the road per month.

VII. Manager's Report

A. *US Forest Service*

The tree clearing around the golf course has been completed. The slash and woodpiles will be burned in December when there is snow on the ground.

B. *Weed Spraying*

This project has started and will continue next week.

C. *Trees*

Tree will not be sprayed this year, as the pine beetles are no longer a threat. Thirteen dead trees have been removed.

D. *Common Area Clean-Up*

This is an ongoing project. Homeowners should leave slash at the end of their driveways and it will be picked up by Property Management.

E. *Trash Area*

There are three trash receptacles. The rusty red one is the trash compactor. This should be used for all non-recyclable garbage. The compactor is operated by turning the key. The middle dumpster is for single stream recycling and is accessed by using the side doors. The dumpster on the left is for glass and cardboard recycling only. Cardboard boxes should be broken down. Ms. Nohelty will post some additional signage to help with the process. Trash pickup day is normally Fridays. Additional pickups are scheduled during busy times such as Christmas and 4th of July.

F. *Gravel Clean Up*

The excess gravel from the winter is being removed from the roads.

G. *Owner Payment System*

The change to the new owner billing system has created some minor issues and confusion. Ms. Nohelty is working with Vail Resort's Accounting Department to get the water bill and monthly dues back to one payment instead of two as is currently being billed. This issued should be resolved in the next month.

H. *Roads/Driveways*

All the roads that did not require an overlay were chip sealed last year. There were three road re-surfacing projects this year. Two have been completed already including Keystone Ranch Road and Penstemon to the Clubhouse and Yarrow Lane. Kinnikinnick Road is due to be completed later this month. After this work the only road that will still need to be re-surfaced is Gentian to the end of the Ranch. This work will not be done for at least four years. At that time the Board will look at the possibility of widening the road in some areas. Approximately \$53,000 per year is being put into the Road Fund.

Mr. Pringle noted there are approximately 20 driveways that would benefit from some repair work. The road maintenance contractor is available to complete crack filling and sealing at the homeowner's expense. The Board will be sending out a letters to owners regarding this item.

An owner asked if there was an update on the "orphan" road, which is the section of road from the stables to the Ranch gate. Mr. Pringle replied that Keystone Resort has acknowledged ownership of the road but has indicated that there are no plans for improvements at this time. The Board is waiting to hear from the Resort.

VIII. General Discussion

A. *Ranch Sign*

A homeowner asked about the Ranch entrance sign. Ms. Adaro-Martin replied the posts were rotted and the sign was taken down for safety. The Resort has ordered a new and improved sign, which will be installed in the near future.

B. *Social Events*

Mr. Pringle talked about annual social events. In an effort to encourage more homeowner participation, the annual 4th July golf event was reduced to a 9-hole scramble. Participation was still low, but Mr. Pringle hopes the new format of the event will help it grow. The annual 4th July Homeowner's Picnic will be held later this afternoon.

C. *Trees by Dumpster*

A homeowner commented on the dense clump of trees on the edge of the road near the access to the dumpster. They hinder the view of the road and create a blind spot when trying to leave the dumpster area. It was suggested that a mirror be installed so drivers can see if there are any vehicles coming before they pull out into the road.

D. *Bike Path*

It was suggested that a bike path be installed along Soda Ridge Road to keep bikers and pedestrians off the road. Mr. Follett replied this subject has been brought up to the County in the past but turned down due to lack of funds. Ms.

Poole suggested highlighting the access to the trail that leads down to the river and re-configuring the steps, which would help direct bikers off the road sooner. Ms. Follett suggested that homeowners petition the County to bring more attention to this item. Ms. Adaro-Martin stated that Keystone Resort has recently established a rapport with the County due to the recent collaboration on the improvement to the bike path system that runs through the middle of the Resort and will pass along the comments and suggestions.

IX. Set Next Meeting Date

The next Homeowner Meeting will be scheduled at a later date.

X. Adjournment

A motion was made to adjourn at 3:21 p.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Signature