

KEYSTONE RANCH HOMEOWNER ASSOCIATION, INC.
BOARD OF MANAGERS MEETING
JUNE 30, 2015

I. Call to Order

The Keystone Ranch Association, Inc. Board of Managers Meeting was called to order by Mr. Pringle at 9:06 a.m. on Tuesday, June 30, 2015 in the Keystone Ranch Living Room.

Board Members Present Were:

John Pringle, President
Gerry Fricke, Member

Jayn Karl, Treasurer
Chris Ornes, Member

Representing Keystone Property Management Were:

Jennifer Adaro-Martin, Senior Property Manager David Lahn, Property Manager

Erika Krainz of Summit Management Resources was recording secretary.

II. Determination of Quorum

With four Board members present a quorum was confirmed.

III. Approve Previous Meeting Minutes

Mr. Fricke noted that in Section X. he should be listed as a Member and Mr. Strong should be listed as Vice President.

Mr. Ornes made a motion to approve the June 30, 2014 Board Meeting minutes as amended. Mr. Fricke seconded and the motion carried.

IV. Homeowner Meeting Planning

Mr. Pringle reviewed the agenda for the Annual Meeting.

1. The terms of Ms. Karl and Mr. Strong expire. Mr. Strong will not be running again due to term limits. Ms. Karl will be running again. Mr. Pringle will check on the eligibility requirements.
2. Mr. Strong will be recognized for his service on the Board.
3. Mr. Randles will provide a Resort Update.
4. Mr. Pringle will provide an overview of the Financials.
5. Owners will be informed who to contact for assistance with logging on to the Association website.

V. Manager's Report

1. 373 Penstemon – Ms. Adaro-Martin will check to see if the Association received the six months of dues from the foreclosure.
2. Tree Removal – Six trees that blew down were removed last year and the trees are no longer being sprayed against pine beetles. The Board may want to consider spraying for spruce beetles. Mr. Lahn will obtain a bid.
3. Sign - The new Keystone Ranch sign has been erected but has not been stained. Mr. Lahn is working with the contractor to identify the best stain treatment to protect the wood. Floodlights are being installed today. Mr. Lahn will check on the lights on the guard shack, which may not be working. The old gate mechanisms are being removed. There will be an agreement in place to split all guard shack expenses four ways between the three Ranch Associations and Vail Resorts.
4. Security Cameras - The cameras over the dumpster and on the guard shack are working. The Sound Room is on retainer to get the camera on the gate working to provide license plate recognition. The guard shack camera now has internal storage. The only remaining issue is nighttime license plate recognition. The cameras are motion activated. In the future the Board will be able to log in to view the security footage remotely.
5. Weed Spraying – Spraying will be done again this year. The contractor got a late start due to heavy rain in May. Owners will be encouraged to contact Mr. Lahn if they see weeds that need spraying.
6. Roads – The roads that were chip sealed two years ago were seal coated this year. Next year the asphalt from the entry gate to the restaurant should be seal coated and the Keystone Ranch Road chip sealed from Gentian to the end. Ms. Adaro-Martin was asked to ensure that the other Ranch Associations and Vail Resorts include this expense in their budgets. Owners will be encouraged to continue to maintain their driveways.
7. Pool – There was some damage to the men's locker room and side wall the winter due to a roof leak. The repairs have been made. The roof drainage needs to be improved to prevent future damage to the side wall. Mr. Lahn was directed to have a contractor dig a ditch and put in rocks to provide drainage.
8. Trash – Owners will be reminded to separate recycling and to call Mr. Lahn if the dumpster area needs to be cleaned.

VI. Open Discussion

A. *Orphan Road*

Mr. Pringle and Mr. Levy met with Mr. Goar about the “Orphan Road”. Vail Resorts has funds allocated to make repairs this summer. The County is unwilling to take over the road until it is improved to their specs. Ms. Adaro-Martin will follow up on the repair of the large dirt patch in the road by the stables.

B. *Roads and Rec Facilities Use Agreement*

The Agreement is close to being finalized. The last issue is indemnification for Vail Resorts for the pool facility. It may be possible to address this issue with a separate insurance policy.

C. *Water System Agreement*

If there is a request for an update on the water system, the owners will be told that maintenance has been done to the big well. If the big well fails, there is a five-day supply in the tank.

D. *Reserve Study*

Ms. Adaro-Martin will check when the Reserve Study was last redone. The Association is required to have a policy regarding how often new Reserve Studies are done.

E. *Landscaping*

Hood Landscaping has been asked to add fresh mulch to the landscaped area across from the mailboxes.

F. *Reserve Spending*

Mr. Ornes recommended that the Board President review the monthly Reserve activity to ensure the expenses have been billed correctly. Ms. Adaro-Martin said the Board receives a report with that information on a monthly basis.

VII. Adjournment

Mr. Fricke made a motion to adjourn the meeting at 10:55 a.m. Ms. Karl seconded and the motion carried

Approved By: _____ Date: _____
Board Member Signature

KEYSTONE RANCH HOMEOWNERS ASSOCIATION, INC.
GENERAL MEMBERSHIP MEETING
JULY 3, 2015

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 Friday, July 3, 2015 in the Lakeside Suite in the Keystone Lodge.

Board Members Present Were:

John Pringle, President
Gerry Fricke, Member

Jayn Karl, Treasurer
Chris Ornes, Member

Homeowners Present Were:

Lisa Rogowski
Mike Orth
Grover & Maidee Hope
Steve & Annette Balog
Brad & Adrienne Prokop
David & Kris Ciccolo
Annette Fricke
Karl Montgomery

Bob Follett
Katherine Wilkinson
Eileen Terens
Bill & Ann Swagman
William Caton
Mary Zutter
Larry & Sue Wood
Glenn Vaughn

Representing Keystone Property Management Were:

Jennifer Adaro-Martin, Senior Property Manager
Chuck Randles, General Manager
David Lahn, Property Management

Leslie McFarlane, President of the Keystone West Ranch Association, was a guest at the meeting. Emma Spofford of Summit Management Resources was recording secretary.

A quorum was confirmed and introductions were made.

II. Approval of Previous Meeting Minutes

A motion was made to accept the minutes of the July 2, 2014 Homeowner Meeting as presented. The motion was seconded and carried.

III. Board of Managers Election

There were two three-year terms open for election. Ms. Karl indicated that she would be willing to serve again. It was announced that Mr. Donahue had also expressed interest. There were no other nominations from the floor and the two candidates were elected by acclamation.

IV. Resort Update

Mr. Randles reported that the Resort had an excellent year with dramatic increases in rentals and guest service scores. There was over \$4.5 million spent on Association common area improvements. Skier numbers were also strong and the “Kids Ski Free” promotion continues to be very well received.

The Resort will be highlighting daily activity programming and continuing with the promotion of the Kidtopia and family branding. Quarterly and bi-weekly publications listing all the activities are available throughout the Resort. Studio K, a new fitness studio offering an array of classes, has opened in one of the Lakeside Village commercial spaces. At the Stables, new plumbed bathrooms facilities are being installed and there will be a new food truck called the Giddy Up Grill. Ongoing activities include Friday Afternoon Club from 1:00 – 7:00 p.m., golf and tennis clinics, tubing, kayak, paddleboat and stand up paddleboard rentals, the bike park and bike clinics and guided hikes. Information is available on the website www.keystonereresort.com. Lakeside Village improvements include a \$1 million rejuvenation of the Keystone Lodge this fall. The landscaping improvements around the Four Corners area are close to being completed.

There is a new Executive Chef at the Ski Tip Lodge and there will be Après from 3:00 – 5:00 p.m. Keystone Ranch is offering Après Golf and happy hour from 4:30 – 5:30 p.m. There are also several festivals planned for the summer including the Beer and Bluegrass Festival, Wine and Jazz Festival and Oktoberfest.

Mr. Goar, the new Vice President and Chief Operating Officer of Keystone Resort, introduced himself and expressed his enthusiasm and commitment to his new position at the Resort.

V. Real Estate Report

Mr. Pringle provided an update of current listings and recent sales. There are currently ten homes listed for sale in the three Ranches. Five homes are under contract, which is a vast improvement over last year. Five Ranch properties have sold in the past 12 months. Sales prices have ranged from \$725,000 to \$2,450,000. There is currently an inventory of 1.63 years of single-family homes on the Ranch and 5.3 month inventory for all types of product throughout the Resort. Residential sales in the Keystone area are up 20% year to date compared to last year.

VI. Financial Review

A. *2014 Year-End Financials*

The Association ended 2014 with an Operating surplus of \$8,392. The Replacement Fund had a year-end balance of \$554,759.

B. 2015 Year-to-Date Financials

As of May 31, 2015 the Association was operating with a surplus of \$16,618.

C. Reserve Funds: General, Pool, Water

The total balance of the Maintenance Reserve Capital accounts as of May 31, 2015 was \$651,230. Mr. Pringle explained that \$475,000 of this money is allocated for the roads and \$92,000 for the water system. Money is also collected as part of the Replacement Fund assessment to pay for pool projects. These funds were recently depleted following the replacement of the pool building roof and repairs to the men's locker room. There are also small allocations for general projects and for the guard shack.

The Association's annual budget is \$279,000. The Replacement Fund contribution is \$100,000. The bulk of the remainder of the money is spent on snow removal (\$41,000), water (\$35,000), summer maintenance (\$24,000), weed spraying (\$7,000) and the management fee (\$25,000).

VII. Manager's Report

This report was given by Mr. Lahn.

A. Tree Removal

Four dead trees were removed from the Keystone Ranch area and two from the East Ranch. This is significantly less than in previous years. The Board decided not to spray against pine beetles last year and this appears to have been the right decision.

B. Weed Spraying

Weed spraying has been completed. Owners were asked to report sightings of noxious weeds to Mr. Lahn. Spraying will be completed one more time this summer as a follow-up.

C. Camera System

The camera system is now operational. A new contractor, The Sound Room, worked with Mr. Lahn to get the system working and has an ongoing retainer to continue maintaining the system as needed. There is a camera in the dumpster area and a camera at the guard shack, which will be mounted in a permanent position after testing. The system records when activated by motion detectors. Footage will only be reviewed as needed and in the event of an incident.

D. Pool Repairs

There was a leak in the roof of the pool building that caused damage to the men's locker room. The roof was replaced by Turner Morris and the interior damage was repaired.

E. *Slash Removal*

Mr. Lahn reminded owners that Property Management provides a roadside slash pickup service. Owners should contact Mr. Lahn to schedule pickup.

VIII. Officers' Reports

A. *Common Elements*

The common elements include the grounds, open space, trees and roads. A Reserve Study is conducted every few years to ensure accurate planning and budgeting for upcoming projects. HP Geotech conducted a road study. Crack sealing is completed every year. Several roads were chip sealed three years ago and last year a 3" overlay was put down from the mailboxes to Gentian and Kinnikinnik. This summer the roads that were previously chip sealed will be seal coated, as will the Ranch Road the following year. The Keystone Ranch Road from Gentian to the turnaround will also be chip sealed and seal coated in the near future. Originally HP Geotech had indicated in their study that this road is breaking up and would need to be replaced. In actuality it is holding up better than expected and the chip sealing will help to extend its life.

B. *Ranch Sign*

The Ranch entry sign has been put back up and plans are in place to finish the staining.

C. *Water System*

The water system that serves all of the Ranch area is owned by Vail Resorts. There are two wells located near the #17 green and #18 tee box. The water is pumped out of the ground to the water tank and gravity fed to the homes. The tank holds 300,000 gallons and the water is consumed at a rate of approximately 60 gallons per minute. Overall the system is in good shape and if the pumps ever fail there would be approximately five days of water supply in the tank. At some point the system will require some repairs and enhancements. Meetings have been held to explore transferring the ownership of the water system to the Snake River Water District. The Snake River Water District is investigating financing options and Vail Resorts is looking into what needs to be done to transfer the water rights.

IX. General Discussion

A. *Soda Ridge Road*

Mr. Goar stated that Vail Resorts has been working with the County to try to resolve ownership and conveyance issues of the section of road from the stables to the guard house. The goal is to permanently turn the road over to the County. In the meantime, Vail Resorts will be spending \$125,000 this year to complete some major repairs to the road, which will include soft cuts, shoulder work and some overlay. This work will begin during the late summer/fall timeframe and a

second round of repairs will be completed next year. Mr. Goar assured the owners that he is committed to resolving this issue.

B. Homeowner List

An owner asked if it would be possible to include a homeowner list in the meeting packet as in the past. Ms. Adaro-Martin responded that recent State legislation requires owners' permission to publicize their contact information. Owners can indicate if they would like their information to be entered into a directory on the meeting signup sheet. The directory will be circulated to the owners and updated on a regular basis.

C. Comcast Cable

It was noted that there is a large length of television cable that has been abandoned by Comcast. Mr. Lahn will follow up with Comcast on this item.

D. Ant Hills

An owner noted that there are several large ant hills around their property located at 74 Yarrow Lane. Mr. Lahn stated that he had just received another complaint about ant hills and will be working with an expert to determine if the ants are an invasive species.

X. Set Next Meeting Dates

2015 Holiday Social – Tuesday, December 29, 2015
2016 Ranch Homeowner 2 Person Golf Scramble - TBD
2016 All Ranch Picnic – TBD
Homeowner Meeting – TBD

XI. Adjournment

The meeting was adjourned at 3:08 p.m.

Approved By: _____ Date: _____
Board Member Signature