

**ENCLAVE AT KEYSTONE ASSOCIATION
ANNUAL MEETING
January 30, 2021**

I. CALL TO ORDER

The Enclave at Keystone Association Annual Meeting was called to order at 9:08 a.m. via videoconference.

II. ROLL CALL & PROXIES

Board Members Participating Were:

Tom Baugh, President, #24

Susan Davis, Treasurer, #41

Meredith Van Dyne, Member at Large, #16

Scott Hamilton, Vice President, #26

Richard Nadolink, Secretary, #11

Owners Participating Were:

Dave Allman, #29

Chad & Jossy Bergan, #32

Ed Berman, #1

Susie Carahalios, #15

Bridget & Jon Gaunt, #3

Bob Jackson, #13

Cherilyn & Bruce Lampert, #42

Gary Miller, #37

Michael Rainin, #33

Sandi Leven Shevin, #9

Christine Stocking, #28

Barbara Truax, #20

Debbie West, #25

Peggy Block, #14

David Beemer, #6

Jill Bergeson, #5

Bill Bouck, #12

Harold Dobbs, #2

Gary & Deb Gerhard, #21

Geoffrey Kaeser, #10

Terry Lemmerman, #43

Ed Myers & Barbara Verble, #40

James Richardson, #39

Fred Sousek, #4

Ted Trask & Laura Schneider, #23

Bernard Vachon, #30

Curt Woods, #27

Terry Rye, #37 (purchasing unit)

Representing Basic Property Management (BPM) were Gary Nicholds and Eric Nicholds. On site Manager Greg Turnbow was present. Erika Krainz of Summit Management Resources was recording secretary.

III. APPROVAL OF THE MEETING MINUTES

Motion: Tom Baugh moved to approve the January 25, 2020 Annual Meeting minutes as presented. Richard Nadolink seconded, and the motion carried.

IV. PRESIDENT'S MESSAGE

Tom Baugh said Unit #1 has been completed and has a certificate of occupancy. He thanked Richard Nadolink for his efforts on behalf of the property. There is a new coffee shop Steep across the street. Re-opening of the Clubhouse is scheduled on March 1st. Owner volunteers are needed to help with the effort, and he asked interested owners to email any Board member. A reservations scheduling app will be implemented, and a security system will be installed. The Board is aware of the BPM email problems. BPM will be switching to a new application.

V. MANAGER'S REPORT

Greg Turnbow reviewed completed projects. Snow removal has not been bad. Travis Construction is looking at the Clubhouse and dumpster enclosure. New lights were installed on the Clubhouse walkway. Two roof leaks and resulting drywall damage in the Clubhouse were repaired. The drain at the east end is being kept clear and is working well. Some lights and transformers were replaced. Two stucco bids were received, and both were very high. He will contact other vendors in the spring. The pedestal light at the Clubhouse was repaired. The spa heater is operational. The pool and spa area are being deep cleaned. Signs "Use Clubhouse at Your Own Risk" and "Swim and Exercise at Your Own Risk" were added. He used Stop Leak in the pool and spa to reduce the water loss and it has helped. Owners are asked to instruct their renters to put trash inside the dumpsters, not to leave it on the ground, and to use another dumpster if the one closest to their unit is full. He reminded owners to break down boxes and not to dispose of furniture in the dumpsters. The dumpsters are emptied every Wednesday. Owners are reminded to pick up after their pets. There is an ice dam by Unit #7 that needs to be removed and heat tape added.

VI. LOCAL REAL ESTATE MARKET UPDATE

Recent sales have been in the \$700,000 – \$1.195 million range. The market is very active. There are currently two units listed for sale for \$1 million and \$1.35 million.

VII. LOCAL HOA FEES UPDATE

Richard Nadolink did some research on dues at nearby properties. The average for nine other similar properties in the area is about \$0.56/sq. Ft. The Enclave average is \$0.34/sq. Ft., including a potential dues increase of \$300/month. The actual budget passed had a dues increase of \$150/month. In Breckenridge, dues are approaching \$1/sq. Ft.

VIII. FINANCIAL REPORT

Susan Davis said the financial reports are posted online. As of December 31, 2020, the Operating balance was \$161,532 and the Reserve Fund balance was \$285,114, excluding the \$258,000 expected from insurance by the end of February. The total cash balance was \$446,646.

The Operating account ended the year with a \$14,254 surplus and the Reserve account ended the year with a \$66,437 deficit for a combined \$52,183 deficit. The Operating surplus was due to not heating the pool (\$5,367), deferred building, grounds and Clubhouse maintenance (\$7,881) and decreased utilization of site Manager's assistant for labor (\$7,742). The Reserve account deficit was due to Clubhouse boiler repairs (\$13,352), legal fees related to the fire (\$73,446, with about \$45,000 no recoverable) and Building 1 roof replacement not covered by insurance (\$23,745). Only 55% of the roof was damaged by the fire but the Board made the decision to replace the remaining section at the same time since it was nearing end of life.

In 2020, an assessment of \$23,996 was collected from all 43 owners for a total of \$1,031,828. It was used to pay for the rebuild of Building 1.

IX. REVIEW OF THE RESERVE STUDY

The Reserve Study was completed on December 21, 2020. The Reserves are at a 26% funded level, which presents a high risk for assessments. The Board's goal is to avoid Special Assessments for planned projects and to maintain a \$100,000 minimum balance. To fund the Reserves at 100% would require \$325/month dues increase. To fund the Reserves at 70% would require \$308/month dues increase. The Board projected the Reserve balance going out 15 years. A 1.5% inflation rate was applied instead of 3%, some items such as Clubhouse carpeting were deferred but required maintenance such as the roof replacement in 2025 was not. The Board settled on an initial \$150/month dues increase to cover the Operating Budget and to start building the Reserves. The assumption is there will be another \$150/month increase for 2022 (with \$85 for Operating only). Before the dues increase, the Study will be updated without a site visit in the fall of 2021. There will be a focus on high-cost items such as decking to make sure the estimated useful life and cost are based on solid historical data. The timing of projects will be adjusted to avoid dropping below a \$100,000 balance and the actual increase needed for 2022 will be calculated. The 1.5% inflation rate may be low and will be discussed further.

X. REVIEW OF PROPOSED BUDGET

Tom Baugh explained that the Operating Budget is based on past actuals or bids and includes expected rate increases. The total increase over the 2020 Budget is \$37,000, with \$31,000 of that amount for the insurance rate increase (based on an estimate) and \$5,000 additional for roof shoveling. The Operating Budget accounts for \$85 of the total \$150/month increase.

In the Reserve Budget, several projects have been deferred, including the Clubhouse partial interior remodel (\$18,400), Clubhouse carpeting (\$23,500), fitness floor replacement (\$7,000) and Clubhouse ceiling fans (\$4,900). The budget includes \$40,000 for the insurance lawsuit mediation and the bottom line is a \$34,000 deficit. It is assumed the lawsuit costs will be recovered eventually.

Motion: Debbie West moved to veto the 2021 Budget. Michael Rainen seconded. In discussion, Debbie explained that she vetoed because there were excess funds from the Special Assessment. Tom Baugh said that statement was incorrect and there were no excess funds. With only two owners voting in opposition, the 2021 Budget was ratified as presented.

XI. UNFINISHED BUSINESS

A. Status of Lawsuit Against Insurance Company

Tom Baugh said each defendant has responded. All parties have agreed to holding the proceedings at the Summit County court. The next step will be mediation, which could take another year due to COVID-related delays.

XII. NEW BUSINESS

A. Update to Rules & Regulations

Motion: Richard Nadolink moved to approve the revisions to the Rules & Regulations. Meredith Van Dyne seconded and the motion carried.

B. Upcoming Activities for 2021

The most significant activities will be the lawsuit, renewal of the property management contract at the end of June, renewal of the insurance policy by March 1st, re-opening the Clubhouse, updating the Policies & Procedures to allow for outdoor hot tubs (five owners have expressed interest in this amenity) and looking at putting an ice rink on the tennis court during the winter. The Board election is in progress.

Tom Baugh thanked Susan Davis for her work on the Board.

XIII. OWNER FORUM

Owner questions and comments addressed the following topics:

1. Rules & Regulations – The revised document will be sent to all owners.
2. Owner Mailing List – The official email list is maintained by Kerry Hartnett. Owners who would like to be added should contact her at Kerry@basicproperty.com.
3. Asphalt – The driveways are not in bad condition and the asphalt replacement should be deferred. The Board will be reviewing scheduled projects and make adjustments as appropriate.
4. Tennis Court – The surface is in poor condition and should be repaired. A bid has been received for this work and pickleball striping is included.
5. Hot Tub Vote – The vote will be conducted at the next quarterly meeting.

XIV. SET NEXT ANNUAL MEETING DATE

The next Annual Meeting will be held on Saturday, January 29, 2022 at 9:00 a.m. The next Board Meetings will be Saturday, April 3, 2021 at 9:00 a.m. and Saturday, July 3, 2021 at 9:00 a.m.

XV. ADJOURNMENT

Motion: Richard Nadolink moved to adjourn the meeting at 11:25 a.m. Meredith Van Dyne seconded, and the motion carried.

Approved By: _____ Date: _____
Board Member Signature

**ENCLAVE AT KEYSTONE ASSOCIATION
BOARD OF DIRECTORS MEETING
April 3, 2021**

I. CALL TO ORDER

The Enclave at Keystone Association Board of Directors Meeting was called to order at 9:04 a.m. via videoconference.

II. ROLL CALL & DETERMINATION OF QUORUM

Board Members Participating Were:

Tom Baugh, President, #24

Debbie West, Treasurer, #25

Meredith Van Dyne, Member at Large, #16

Scott Hamilton, Vice President, #26

Richard Nadolink, Secretary, #11

Owners Participating Were:

Natalie Berman, #1

Bridget Jones, #3

Sandra Shevin, #9

Barbara & Mike Truax, #20

Laura Schneider, #23

Bernard Vachon, #30

Michael & Lauren Rainin, #33

Ed Myers & Barbara Verble, #40

Terry Lemmerman, #43

Harold Dobbs, #2

Jan Galvin #5

Susie Carahalios, #15

Deb Gerhard, #21

Dave Allman, #29

Brandon Smouse, #32

Jim Richardson, #39

Susan Davis, #41

Representing Basic Property Management (BPM) were Gary Nicholds and Eric Nicholds. On site Manager Greg Turnbow was present. Erika Krainz of Summit Management Resources was recording secretary.

III. OPENING REMARKS BY BOARD MEMBERS

Tom Baugh thanked the owners who assisted with getting the Clubhouse ready to open. The budget approved in January did not have a final number for insurance. The deductible was increased to \$50,000 and as a result, the premium came in approximately \$4,000 lower than budgeted. BPM is switching to a new accounting software that will enable owners to log in and check their balance. Tom requested that Enclave not be the first Association to roll out the new system to allow time to work out any bugs.

Action Item: Scott Hamilton will draft a memo regarding the new insurance deductible to all owners.

IV. ON-SITE MANAGER'S REPORT

A. Review of Bids Received & Bids Needed for Projects

Greg Turnbow reviewed the following:

1. Cleaned and prepped the Clubhouse for the opening. He noted that State law requires showering before using the pool or hot tub.
2. Ice dams were removed by Units 30, 35, 11, 10, 9 and 7.
3. Leaks in Units 11, 35 and 7 were repaired.
4. Painting and drywall repairs were done in the Clubhouse after leaks.

5. "Swim at Own Risk" signage was added at the pool.
6. "High Alpine Environment" signs were added at the east and west entrances.
7. Replaced two leaking fireplace valves in Unit 32 (at owner expense) and the Manager's unit.
8. The fireplaces were inspected.
9. Two sanitizer dispensers were installed in the Clubhouse.
10. Replaced the air handler motor in the Clubhouse, which has decreased humidity.
11. Snow removal has been ongoing as needed.
12. Snow stakes are being replaced as needed when they are hit by cars.

Upcoming projects:

1. Rebuild the tennis court steps.
2. Adriano will construct the dumpster enclosure once the ground thaws around May 1st.
3. Touch up the Clubhouse trim by the entrance.
4. Rise and Shine will wash windows at owners expense.
5. Power wash the garage doors.
6. Repair or replace the golf cart.

Tom Baugh had the following comments:

1. He requested a schedule for lawn maintenance and garage door staining.
2. Roof inspection and repairs needs to be scheduled to prolong the useful life.
3. He asked about ice dams. Greg Turnbow said the 4" flanges are starting to separate, which can result in leaks. He treated those spots with heavy duty silicone.
Action Item: Greg Turnbow and Richard Nadolink will develop a recommendation for a more permanent solution.
4. The name on the cell phone account needs to be transferred from Tom Baugh to Greg Turnbow. Greg said the flip cell phone is poor.
Action Item: Greg Turnbow will provide a recommendation for an alternative cell phone.
5. There was an owner complaint about the appearance of the cones by Units 36 and 37. They were put in place to keep the plow from damaging the lawn.
6. The snow plow has been moved to a different storage location.
7. There was an owner complaint about holiday lights on decks. Greg Turnbow said there are guidelines for lights and decorations on decks. Debbie West noted that the committee decided white lights were not considered holiday lights. Any colored lights or holiday decorations can be put up 30 days prior and must be taken down within 30 days after a holiday. Owners were asked to check their decks and clean up items as needed. Owners who believe there is a violation should file a complaint with the Board.
8. The tennis courts should be resurfaced and striped for pickleball. Sport Court provided an estimate two years ago. The bid needs to be updated.
9. The ditch by the east entrance needs to be reworked to provide adequate drainage.

Greg Turnbow will be taking time off April 18 – 22. He has worked six of his days off and would like to use two of those days as comp time instead of using his vacation time.

Action Item: Greg Turnbow will put this request in writing to the Board.

V. TREASURER FINANCIAL REPORT

A. *Expected Year-End Status of Operating Budget*

Debbie West did not have a report. She said she had a number of questions that she needs to have answered. The signatures for the bank accounts are being updated and she is working on the Balance Sheet issues.

Tom Baugh said he sent Debbie West a spreadsheet on March 11th for her to populate with the monthly data to clarify the financial status and agreed to meet with her after she had done so or had developed her own system for presenting the financials. She returned the spreadsheet 28 hours prior to the meeting. He said she was focusing on items that should be handled by the auditor. He said she fraudulently modified an email that was first sent to non-Board members before being copied to the Board. The attorney confirmed that the Board has the authority to remove a Board member from an Officer position without a hearing.

Motion: Tom Baugh moved to remove Debbie West as Treasurer. Richard Nadolink seconded. In discussion, Debbie West said she tried to meet with Tom Baugh and other Board members, but they have been too busy, she had questions about the insurance numbers, and she has not been allowed to speak with Patti Vande Zande. Tom Baugh stated that they did meet, and he has a Zoom recording. The motion carried with four in favor and one opposed.

Motion: Tom Baugh moved to appoint Dick Nadolink as Treasurer. Meredith Van Dyne seconded, and the motion carried with four in favor and one opposed.

B. *Discussion of Potential Additions to 2021 Budget if There is an Expected Underrun*

Tom Baugh anticipates there will be a year-end surplus due to deferring projects. The Board can propose a revised budget and move some projects forward.

VI. UNFINISHED BUSINESS

A. *Status of Re-Opening Clubhouse*

Richard Nadolink said the Clubhouse reopened about one month ago. Fifteen owners have signed and returned the liability waiver in order to receive the Clubhouse code. There have been some minor issues with non-compliance with the mask requirement and distribution of the old code to renters. Summit County moved to the yellow COVID tier last week but may be required to move back to the orange tier due to an increasing COVID infection rate. No changes are proposed to the current operations until Summit County moves to the blue tier. Owners are encouraged to submit suggestions for rules changes to the Board for consideration.

B. *Status of Insurance Claim for Units 1 & 2 Casualty Loss*

The attorney anticipates mediation could occur in June but an official date has not yet been set.

VII. NEW BUSINESS

A. *Decide on Board Annual Training Date*

The Board discussed potential dates (April 19 – 28 or May 17), Mondays through Wednesdays, after 3:30 p.m.

Action Item: Tom Baugh will work on scheduling the training with the attorney.

B. *Determination on Allowing Outdoor Hot Tubs*

Tom Baugh said multiple owners have expressed interest in having outdoor hot tubs. Since the first draft, a couple of changes were made to clarify that hot tubs may only be placed on side or back decks (not on front decks or on the ground), owners are responsible for any additional repairs to decks caused by the placement of a hot tub on a deck and the maximum exterior dimension should be no larger than 100" x 100". There were no changes to the rules related to quiet hours (which start at 10:00 p.m.).

Owner questions addressed the following:

1. How many decks are large enough for an 8' x 8' tub and who is responsible for the cost of expanding decks. There is a written procedure for expanding decks and owners are responsible for all costs. There are very few existing decks that would be large enough to accommodate an 8' x 8' tub.
2. There could be an issue with motor noise and chemical odors disturbing adjacent owners.
3. The stringers under the original deck may be rotten.
4. The units were originally designed for an indoor hot tub downstairs, although the chemicals inside units may not be desirable.
5. The Association may need to be designated as additional insured for liability protection.

In a show of hands (non-binding consensus of the owners), there were seven owners in favor and eleven opposed and one Board member in favor and four opposed to allowing outdoor hot tubs

C. *Discussion of What Should be Looked Into if Approving Ice Rink on Tennis Court*

The insurance requirements were researched. It was determined there would be an additional Association expense of at least \$2,500. The cost is estimated to be \$620 for materials plus labor. Other questions to be answered include the water source, a location for storage of the materials during the off season, potential dry rot of the liner, how to maintain the surface, access control, how many people will use it, if it would have value to the owners and a location for snow storage.

In a show of hands, there were no owners in favor of pursuing this project.

Action Item: Tom Baugh will notify the owner who proposed this project of the outcome.

D. Discussion of What Should be Looked Into if Approving Air Conditioners

An owner has requested consideration of approving air conditioners. Tom Baugh noted that the windows are not designed to accommodate air conditioner units (they are not double hung).

In a show of hands, only one owner was in favor of pursuing this matter.

Action Item: The Board will discuss the legality of prohibiting air conditioners (for medical purposes) with the attorney.

E. Recycling

Tom Baugh requested that any owners interested in on-site recycling do the research and provide a proposal. Laura Rainin volunteered to work on this project.

Action Item: Greg Turnbow will contact Timberline about recycling options.

F. Speeding

There are some issues with drivers speeding through the property. Gary Nicholds suggested removable speed bumps.

Action Item: Scott Hamilton will work with Greg Turnbow on this project. Gary Nicholds will find out information from other associations that use portable speed bumps and report back to the Board.

G. Wildlife Safety

Owners are reminded not to leave garbage outside the dumpster as it attracts bears. Owners should be made aware of the potential for encountering moose near the wetlands.

H. Voting Irregularities

Possible voting irregularities in the last election were discovered. It appears there may have been multiple ballots submitted by one person. The attorney was consulted and a handwriting expert was hired. Based on the handwriting, he determined four ballots were very likely completed by the same person and potentially several others. The common thread for all the ballots in question was a vote for only one Board candidate. The unit owners may have given their ballots to another person to complete Tom Baugh stated the attorney said it is permissible for owners to give their ballots to other owners to fill out and mail in. Gary Nicholds said he accounted for all ballots and there were no duplications of unit numbers. Tom Baugh stated this is the second election where there may have been problems. For the next election, a system recommended by the attorney may be implemented.

VIII. PROPOSED 2021 MEETING DATES

The next meeting dates were not discussed.

IX. EXECUTIVE SESSION

The Board convened Executive Session at 11:32 a.m. to discuss legal issues and the management contract renewal.

X. ADJOURNMENT

Motion: Dick Nadolink moved to adjourn the meeting, Meredith Van Dyne seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature

Meeting of Enclave HOA Board – 3 Apr 2021 via Zoom

Executive Session

Members in attendance- Tom Baugh - President, Scott Hamilton – Vice President,

Dick Nadolink – Secretary/Treasurer, Debbie West – Member, Meredith Van Dyne- Member

1. Quorum was established by the virtual presence of at least three Board members.
2. The status and strategy of the ongoing lawsuit to recover the Units 1&2 rebuild costs was discussed.
 - a. No decisions were needed or made at this time.
3. The status of renewing the Basic Property Management contract was discussed.
 - a. Tom Baugh will provide all board members recommended redlines to the existing contract for coordination and approval.
4. A complaint from an owner about one of the Board members was discussed. All Board members were reminded of the requirement to not defame owners even if just within Board only communications.
5. There was a motion to adjourn, followed by a second, and then a unanimous vote to adjourn.

These minutes were approved by the Board on 4/19/2021.

**ENCLAVE AT KEYSTONE ASSOCIATION
BOARD OF DIRECTORS MEETING
July 3, 2021**

I. CALL TO ORDER

The Enclave at Keystone Association Board of Directors Meeting was called to order at 9:04 a.m. via videoconference.

II. ROLL CALL & DETERMINATION OF QUORUM

Board Members Participating Were:

Tom Baugh, President, #24

Debbie West, Member at Large, #25

Meredith Van Dyne, Member at Large, #16

Scott Hamilton, Vice President, #26

Richard Nadolink, Treasurer & Secretary, #11

Owners Participating Were:

Geoff Kaeser, #10

Gary & Deb Gerhard, #21

Brandon Carlson, #34

Susan Davis, #41

Janet Nadolink, #11

Jeannine Wyr, #30

Mimi Clair, #38

Representing Basic Property Management (BPM) was Eric Nicholds. On site Manager Greg Turnbow was present. Emma Spofford of Summit Management Resources was recording secretary.

With all Board members present a quorum was confirmed.

Motion: Tom Baugh moved that recording of meetings is not permitted without permission. The motion was seconded by Meredith Van Dyne and carried.

III. OPENING REMARKS BY BOARD MEMBERS

Stucco repairs will be completed during the month of July. New State regulations have been passed which will require some updates to the Association documents. Owners were advised to know their building number (and to make sure renters know). This information is crucial for emergency responders. A building number list will be attached to the minutes.

IV. ON-SITE MANAGER'S REPORT

A. *Projects*

Greg Turnbow reviewed the following:

1. The new dumpster enclosure has been built. The doors require adjustment.
2. Xcel has covered up the ditch and planted grass seed in the area that was disturbed. Irrigation of the area is being worked on.
3. Lawn care is ongoing.
4. An exterior light on Unit 4 was re-mounted.
5. The stucco repair project has started.
6. Stair re-builds will begin on July 8.
7. A couple of issues in the irrigation system are being resolved. There is low pressure in the system due to too many nozzles.

8. An inspection of the roofs will be completed this summer.
9. Heat tape was installed on the roofs of Units 7 and 11. It is also needed on Unit 35, which has experienced some recent leaks. Homeowners are responsible for the energy costs to run the heat tape on their units. Emails are sent to the owners at the beginning of the season.
10. A new spa heater has been ordered. The current heater is running on re-circulation mode and the temperature of the spa is lower than normal (similar to the pool). Owners were reminded to shower before using the spa.
11. Greg answered Tom's question about whether any units had their garage doors power washed by Greg last year – none. The power washer is now broken and the rest of the project will be completed next summer.

B. Comments/Other

1. Owners were reminded not to leave oversize garbage at the dumpster as this incurs an extra charge for the Association.
2. Some units have been sprayed for spiders by their owners. The Board confirmed this is an owner responsibility if desired. Greg Turnbow can help facilitate entry into units for this service.
3. Requests have been made regarding planting grass and adding sprinklers in the bare areas behind the units. It was agreed that it would be a large expense to complete for all the units.
Action Item: Greg Turnbow was asked to research other options such as mulch and bark.
4. There has been a negative homeowner comment regarding the installation of the "Dead End" sign. It was explained that the sign was deemed necessary due to the disruption of unnecessary traffic and vehicles becoming stuck at the end of the road.

V. TREASURER FINANCIAL REPORT

A. Year-to-Date Status of Financials

As of May 31, 2021, the Operating account had a balance of \$140,978 and the Reserve Fund had a balance of \$330,330 for total assets of \$471,308. The Operating Budget had a surplus of \$12,087 and the Reserve Fund had a surplus of \$13,344 for an overall surplus of \$25,431. The Legal Reserve account was \$5,433 under budget and the Board will discuss if this balance will be spent in the Executive Session.

B. Expected End of Year Status for Budget

The Board reviewed a year-end budget forecast spreadsheet.

Comments were as follows:

1. It was suggested that another contractor to be asked to look at the asphalt and drainage issue.
2. The boiler has a slight vibration noise and will be inspected by the vendor.
3. The addition of recycling services would require the dumpsters to be downsized, which will likely increase the number of trash pickups. It was noted that

contaminated recycling containers result in a charge to the Association and the entire contents of the recycling bin being disposed in the regular trash. The Board decided not to proceed any further with on-site recycling.

C. *Kick-Off 2021 Reserve Study Update*

The Reserve Study will be updated this year. Susan Davis, former Treasurer of the Association, agreed to help with the process. The timeline for having the Study completed is October, in time for budget planning for next year.

VI. UNFINISHED BUSINESS

A. *Status of Re-Opening Clubhouse*

Summit County is at the green status for COVID-19. Discussion followed on whether to allow rental guests to use the amenities, how the Board can monitor if a unit is used for rentals and if waivers have been signed. It was noted that owner who rent are supposed to be registered with the County. Signs requiring unvaccinated guests to wear a mask and “use at your own risk” are being considered. Legal counsel will be sought on this issue. It was suggested that a medallion or fob system to access the Clubhouse be implemented.

Motion: Tom Baugh moved that per the Associations Bylaws, the owner who is over 90 days delinquent paying dues and has been delinquent for multiple years in the past be suspended from using the Clubhouse amenities. The motion was seconded and carried. A formal notice will be sent to the owner.

B. *Status of Insurance Claim for Units 1 & 2 Casualty Loss*

All the motions have been wrapped up and the case is at the information gathering stage. Mediation will begin in September or October and most likely will be a long process. Board members are expected to give a deposition.

Tom Baugh asked Debbie West about a previous statement that the Association paid too much for the repairs. Debbie West was unprepared to answer the question but gave a brief explanation for her statement, which centered around her belief that the Association should have used a contractor recommended by the insurance company for the project in order to control the costs.

VII. NEW BUSINESS

A. *Review E-Mail from HOA Lawyer RE: Loss Assessments*

This agenda item was not discussed.

B. *Revisit Wording of Casualty Loss Assessment for Refund*

No one proposed a recommendation for a change in wording, so the items was dropped.

C. Annual Training for Owners

Annual training is required for owners. Tom Baugh suggested holding a two-hour Q&A session that would be based on owners' questions submitted before the meeting. It was suggested that a survey be sent out regarding when to offer the training.

D. Policy & Procedure Inputs

There have been some changes to the state legislature that will need to be considered as part of the update to the policy and procedures. Debbie West presented proposed changes to the current document as recommended by the Committee. The amendments include grammatical updates, changes to time periods pertaining to the storage of financial records, minutes availability, limiting expenditures for non-budgeted items, allowing owners to have approval input on common area changes that will affect their units and tree view protection.

Discussion followed regarding allowing owners to have approval for common area changes that affect their units. It was suggested that the word "approval" be changed to "input".

It was suggested that a committee be formed to evaluate tree view protection requests on a case by case basis. Debbie West volunteered to represent the Board on the committee. This item was tabled, pending investigation of how other Associations handle this item.

E. Gutter Responsibility

Legal counsel was obtained on this item. The Association advised owners to install gutters to prevent issues with ice caused by water run-off. Over 70% of the units have installed gutters. If an owner is injured as a result of not having a gutter installed, the Association cannot be sued. However, if a rental guest is injured, they will be able to sue both the Association and owner of the unit.

F. Owner Inputs

1. An owner asked if there is a difference in classification regarding an owner's guest versus a rental guest.
2. An owner commented on fire mitigation efforts that he has made behind his own unit and recommended that the same work be completed throughout the complex.

VIII. PROPOSED MEETING DATES

The next meeting will be held on October 16, 2021.

IX. EXECUTIVE SESSION

The Board convened an Executive Session at 11:58 a.m. to discuss legal issues.

X. ADJOURNMENT

Motion: A motion was made to adjourn and seconded. The motion carried.

These minutes were approved by the Board via email voting on 8/29/31.

**ENCLAVE AT KEYSTONE ASSOCIATION
BOARD OF DIRECTORS MEETING
October 16, 2021**

I. OWNER EDUCATION

Attorney Lindsey Smith gave a presentation regarding legislative changes.

II. CALL TO ORDER

The Enclave at Keystone Association Board of Directors Meeting was called to order at 9:30 a.m. via videoconference.

III. ROLL CALL & DETERMINATION OF QUORUM

Board Members Participating Were:

Tom Baugh, President, #24

Scott Hamilton, Vice President, #26

Debbie West, Treasurer, #25

Richard Nadolink, Secretary, #11

Meredith Van Dyne, Member at Large, #16

Owners Participating Were:

Representing Basic Property Management (BPM) was Eric Nicholds. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

With all five Board members present a quorum was confirmed.

IV. OPENING REMARKS BY BOARD MEMBERS

Tom Baugh welcomed new owners Saar Schwarz (#28) and Mike Nelson (#36) who were participating on the call, and the new owners of #17 and #18.

Arapahoe Basin will be opening tomorrow. A new coffee house Steep opened across the street and in a second location in River Run. The marijuana dispensary application and appeal were denied. Several stores have closed or limited their hours due to labor shortages. The snowplowing vendor did not renew the contract due to staffing issues and a contract was signed with a new company. Recording of meetings is not permitted without permission. There will be some Board seats up for election at the Annual Meeting and interested owners are encouraged to submit self-nominations.

V. UNFINISHED BUSINESS

A. Status of Insurance Claim Lawsuit for Units 1 & 2

Mediation is scheduled for October 27, 2021. The attorneys are optimistic that an agreement can be reached. Many of the documents are redacted. Tom Baugh will send an update to all owners after the mediation session.

There was a question regarding how any settlement reimbursement will be handled. Tom Baugh said any amount up to \$1.030 million will be refunded to the current owners. Some owners who have sold put clauses in their contracts requiring that they be reimbursed if settlement proceeds are distributed.

VI. NEW BUSINESS

- A. *Discussion RE: Pursuing Change in Declarations for Responsibility for Rear Decks*
Tom Baugh explained that amending the Declarations would require approval by at least 67% of all owners. In 2007, the building exteriors were changed from wood to stucco, the railings were replaced and the decks were replaced with Trex. At that time, the owners were given the option to expand their rear decks at their own expense. It will cost about \$500,000 to replace the original decks, but some of them will not require replacement and some of the decks that have already been replaced are substantially larger. One idea is to treat the decks like the garage doors, with replacement being an individual owner responsibility. Another options would be for the Association to pay for the replacement of the decks based on the original standard size and have the individual owners pay for the cost for the square footage of any expansion that has occurred. Tom felt that making owners responsible for their decks would be cleaner and easier to manage. Richard Nadolink noted that only two decks have been expanded since 2007.

Owner questions and comments:

1. Precedent – The windows and doors are an owner responsibility. The decks would still be considered a limited common element and the Association would govern what can be placed on them.
2. Timing for Replacement – There should be criteria for the deck replacement since they are not all in the same condition. Tom Baugh noted that the Reserve Study specifies the timeframe for deck replacement but it will only be done when necessary.
3. Cost Responsibility – There could be a hybrid approach in which the Association would pay for replacement of the original decks and the owner would contribute toward the cost of replacement if the deck has been expanded. There are no details defining any change to the responsibility for expenses from 2007.
4. Equity – It might not be fair to charge owners with larger decks more for the replacement as it could set a precedent for charging owners more if they have larger lawns or more landscaping.
5. Deck Conditions – There is significant variation in the condition of the decks based on exposure. The focus should be on developing structural and aesthetic criteria for any work that is needed.
6. Timing for Deck Replacement – It is anticipated that some portion of the decks will need replacement within the next ten years. It is scheduled in Reserves in 2031.
7. Cost Allocation – There was a suggestion to calculate an average cost for deck replacement based on the original decks and to have two classifications (one for the standard decks from 2007 and a second for the owner enhanced decks) and to allocate that amount to all owners to ensure proper maintenance.
8. Contractor Selection – Owners should have the right to hire their own contractor for deck replacement if they are paying for it, as long as the replacement complies with specifications for materials and timeframe.

Tom Baugh summarized that the proposal is to keep the decks as an Association responsibility but to allocate the additional costs related to expansion as an owner responsibility. It would still be Board decision when replacement would occur.

In an informal straw poll, only 10 of 21 owners indicated support of this approach. Based on this result, the Board agreed not to pursue this amendment.

B. Discussion RE: Change to Declarations to Limit Short Term Rentals

Tom Baugh has been approached by several owners about limiting short term rentals. He noted that existing owners would be grandfathered. He has confirmed with the attorney that this could be done but it would require an amendment to the Declarations. He noted it would benefit current rental owners because it would limit future rental competition and could reduce the cost of insurance, but it also could impact resales and the ability to obtain a mortgage.

In an informal straw poll, there was not owner support of this approach. Based on this result, the Board agreed not to pursue this amendment.

C. Proposed Rules & Regulations Changes for Basement Window Wells

The proposed changes were shared with the owners. There were no questions or concerns. **Motion:** Tom Baugh moved to approve the document as presented. Meredith Van Dyne seconded and the motion carried unanimously.

D. Discussion RE: If/How to Proceed with On Site Mailboxes

Tom Baugh has been researching options for installing mailboxes. He has identified a location in front of the Clubhouse to the far left. A concrete pad will be required. Two banks of 16 boxes each will be installed to start with room for one more if there is demand. There was a suggestion to install all 48 at the same time.

VII. TREASURER FINANCIAL REPORT

A. Year-to-Date Status of Financials

As of September 30, 2021, the Operating Cash balance was \$341,171 and the Reserve Cash balance was \$125,156 for total assets of \$466,327.

B. Review of 2021 Reserve Study and Impact to Dues

Richard Nadolink said a \$100/month increase to the Reserve contribution would be needed to avoid a deficit in the Reserve balance. The items that dominate the Reserve Study are stucco (\$300,000), roofs (\$530,000), asphalt replacement (\$275,000), deck replacement (\$530,000) and stair replacement (\$89,000).

The projected 2021 year-end Reserve balance is \$144,988. It is assumed there will be an insurance payment of \$173,374 and \$127,185 in recovery of fire lawsuit legal expenses in 2022 for an adjusted balance of \$445,547.

Potential Reserve projects in 2022 include legal expenses (\$40,000), asphalt repair/maintenance (\$27,750), repair drainage at Building 1 (\$2,000), Clubhouse bollards (\$17,000), repair/repaint building trim (\$33,000), paint Clubhouse interior (\$17,000), Clubhouse carpeting (\$24,000), replace fitness floor (\$7,250), conference room update (\$18,000), Clubhouse furnishing and décor (\$20,000), Clubhouse bathrooms (\$10,000), Manager’s unit allowance (\$5,150), replace ceiling fans (\$5,050), replace fireplace (\$4,150), replace air handler (\$6,450), replace Clubhouse exit/emergency fixtures (\$1,090), replace golf cart (\$7,500), recoat tennis courts (\$8,464), seal/repair pool deck (\$8,150) and replace pool/spa pumps (\$2,000) for a total of \$264,004.

The spreadsheet included a 1.5% inflation factor. There was agreement that this seemed low. It was increased to 4% for the next two years, 3% for the third year and 2% thereafter. **Motion:** Tom Baugh moved to increase the Reserve contribution by \$25/month. Meredith Van Dyne seconded. After discussion, Tom withdrew the motion pending finalization of the Operating Budget.

VIII. ON-SITE MANAGER’S REPORT

Greg Turnbow was not present. Richard Nadolink reviewed the following:

1. Repositioned the east sign light.
2. Outside help will be hired to assist with cleaning out the Clubhouse storage.
3. Installed a new high speed modem in the Clubhouse.
4. Fertilized the lawns and turned off the irrigation.
5. Trimmed the shrubs and cut down the weeds in the storm drains.
6. Installed the snow stakes.
7. The snow fence will be put up this week.
8. Installed heat tape on three units.
9. Touched up paint around garage doors and on Clubhouse.
10. Cut off dead branches by #25 and #26.

Tom Baugh commented that the dumpster enclosure is unsightly.

Motion: Tom Baugh moved to tear down the dumpster enclosure. There were no Board objections.

IX. PROPOSED MEETING DATES

The Annual Meeting will be held on January 29, 2022. A hearing was scheduled for #32 on Tuesday, October 19th at 5:00 p.m.

X. EXECUTIVE SESSION

The Board convened an Executive Session following this meeting to discuss legal matters.

XI. ADJOURNMENT

Motion: Tom Baugh moved to adjourn the meeting at 11:35 a.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Signature