

**ENCLAVE AT KEYSTONE ASSOCIATION
ANNUAL MEETING
JANUARY 25, 2020**

I. CALL THE MEETING TO ORDER

The Enclave at Keystone Association Annual Meeting was called to order at 9:06 a.m. in the Enclave at Keystone Clubhouse.

II. ROLL CALL, PROXIES & INTRODUCTIONS

Board Members Present Were:

Patti Howell, President, #34	Sharon O'Connell, Vice President, #42
Tom Baugh, Treasurer, #24	Richard Nadolink, Secretary, #11
Meredith Van Dyne, Member, #16	

Homeowners Present (*via teleconference) Were:

Dave & Lisa Allman, #29	David Beemer, #6*
Jill Bergeson, #5	Natalie Berman, #1*
Sharon Bouck, #12*	Joe & Marti Campanola, #39*
Susan & James Carahalios, #15	Robert Chisholm, #4*
Mimi Clair, #38*	Susan Davis, #41
Harold Dobbs, #2	Gary & Deb Gerhard, #21
Bill & Marianna Goslau, #36	Dale Howell, #34
Brad Stark, #13	Geoffrey & Mrinalini Kaeser, #10
Terry Lemmerman, #43	Barbara Verble, #40
Janet Nadolink, #11	Ronald Paquet, #27*
Michael & Laura Rainin, #33*	James Richardson, #39
Kathy Rogers, Unit 14	Christine & Richard Stocking, #28*
Lois & Joseph Thompson, #22*	Ted Trask & Laura Snyder, #23
Mike Truax, #20	Barbara & Jerry Truax, #20*
John & Tracey Weisenfels, #19*	Debbie West, #25

Owners not present at the meeting but represented by proxy were:

Cindy Beeks #17
Leo & Rhonda Johnston #35
Nancy Holland #30
Scott Hamilton #36
Sandra Shevin #9

Attorney Lindsay Smith and Adam Cunningham of Blu Sky were guests at the meeting.

With units represented in person and four by proxy a quorum was confirmed.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds and Patti Vande Zande. Greg Turnbow, on-site Manager, was present at the meeting. Erika Krainz of Summit Management Resources was recording secretary.

III. APPROVAL OF THE ANNUAL MEETING MINUTES

Motion: Richard Nadolink moved to approve the minutes of the January 26, 2019 Homeowner Meeting as presented. Sharon O'Connell seconded and the motion carried.

IV. FINANCIAL REPORT

Tom Baugh reported that as of December 31, 2019, the Reserve Fund Balance was \$591,000 and the Operating Cash balance was \$568,000 for a total cash balance of \$1.159 million. The Operating account ended the year with a \$39,000 surplus and the Reserve account ended the year with a \$4,500 deficit, resulting in a combined surplus of \$34,500. This figure will be adjusted down by \$5,000 - \$6,000 once all back invoices are cleared.

A. Ratify 2020 Budget

Tom Baugh reviewed his process for drafting the proposed budget and the significant variances compared to the prior year.

There was general discussion about the Legal Fees line item. The Association was recently served notice of lawsuit. The legal fees should be covered under the Directors & Officers policy, which has a \$5,000 - \$10,000 deductible. The unit reconstruction should proceed regardless of the litigation. The insurance policy renews March 1st annually. If the Association loses the lawsuit and is required to pay the litigant's legal fees, a loan can be taken from Reserves and paid back over a few years, or there could be a Special Assessment. The insurance proceeds of \$400,000 received for Unit 1 are being held in a separate cash sweep account at Alpine Bank. The balance of the funds that have not been spent are reflected on the Balance Sheet under Accounts Payable and Tom Baugh is watching the expenditures. There is now a new scope of work based on the County change in classification of the property from townhomes to condominiums. The insurance attorney will be handling this issue with the insurance company.

“Pursuant to the amended and restated Declaration, the budget proposed by the Executive Board does not require approval from the unit owners and it will be deemed approved by the unit owners in the absence of a veto at the noticed meeting by a majority of the owners, whether or not a quorum is present.” Lindsay Smith asked if there was a motion to veto the budget and no motion was offered. In the absence of a motion to veto the budget, the budget was deemed approved.

V. MANAGER'S REPORT

Greg Turnbow reviewed the following projects:

1. Replaced two pumps.
2. Replaced carpet in Manager's unit.
3. The light at the east end of the Clubhouse is operational. There is a break in the line at the west end. Solar lights were installed.
4. A leak in the shaft seal in the pool control room was identified and replaced.
5. Installed snow stakes.
6. Replaced tiles around the pool. There are a few more missing tiles to be replaced.
7. Alpine Tree Service did not respond to calls.

8. Installation of Clubhouse roof vents was recommended to relieve humidity but silicone was used on the roof ridge as an alternative. There is a small leak that drips on the ping pong table and the major stack coming out of the roof needs to be replaced in the spring.
9. Raked a large quantity of leaves.
10. New lights were installed on the Clubhouse walkway.
11. Cleaned out the upstairs storage. The remaining items will be removed in the spring.
12. Cleaned out the office.
13. The fire door by the office was delaminating and was replaced.
14. The plumber will install a backflow preventer in the Clubhouse.
15. Shoveling occurs when there is snowfall of 1" or more. Greg confirmed that he shovels all stairs.

VI. UNFINISHED BUSINESS

A. Status of Fire Reconstruction

Adam Cunningham of Blu Sky joined the meeting at 9:22 a.m. He is overseeing the rebuild of Units 1 and 2 and there is also an on-site Project Manager. He provided a summary of the activities to date. He was contacted in mid-October and the project was under contract in November. The structural drawings were sent to the Summit County Building Department in late November. The Building Department would not approve them without a full set of plans but authorized ordering of the trusses. They questioned the contract value submitted by the last contractor. The costs are now believed to be accurate. In early December, the first set of complete drawings were submitted. The truss manufacturer took measurements to verify the materials ordered were correct. The Building Department had questions about the drawings in mid-December. A new set of plans was submitted in early January. In mid-January, the Building Department changed the code requirements and informed Blu Sky that the units are condominiums rather than townhomes. Some of the elements had to be redesigned for code compliance, mainly related to fire protection. The revised drawings were approved on Thursday. The permit card needs to be signed by the Fire Department and Sewer District, which he will have done on Monday, and permit fees paid. He expects to have the permit Monday or Tuesday. Going forward, there will start to be activity on site. Owners are asked to communicate any issues to the Board and they will forward them to the appropriate entity. There will be a pre-construction meeting with the engineer and framing contractor next week to discuss shoring and the structural sequence. New bids have been solicited from all subcontractors. The County will be on site to inspect the demolition and close out the permits, after which the shoring can start and be inspected by the engineer. The next steps will include structural fixes, trusses and getting the building dried in. Unit 2 will be cleaned next. There will be a pre-construction meeting with the Board and unit owners. After the smoke is cleaned from Unit 2, the actual rebuild will start. The cleaning of Unit 1 will follow. The exterior work will be scheduled in the late spring and early summer. Owners were asked to be patient during the process. The Board will communicate the work hours and temporary parking issues.

Owner questions addressed insurance, the AIA contract and release of contractor liens. It is not yet known if the entire cost will be covered by insurance. The contract is a lump sum. Lien releases will be part of the process.

B. Termination of Central Alarm Monitoring January 31, 2020

Several owners described issues they encountered when they tried to contract for individual monitoring systems. Some owners felt the existing monitoring contract should be extended until a permanent solution is in place. An owner noted that Simply Soft can provide self-installed monitoring system with no monthly fee as a stopgap solution. This system can be programmed to notify the owner and/or Fire Department of alarms using wi-fi or a phone line. Tom Baugh said every system the Board has looked at will call the Fire Department or a monitoring company. An owner suggested scheduling regular unit inspections in the interim. Lindsay Smith recommended having inspections only by owner request and having owners sign a liability waiver.

VII. NEW BUSINESS

A. Insurance

The policy renews on March 1st. The Board is working on obtaining bids from other providers but the process has been complicated by the legal proceedings.

Action Item: Gary Nicholds will post the umbrella policy on the website.

B. Establishment of Insurance Review Committee

Owners interested in serving on the committee should contact Tom Baugh. The Board will formally establish the committee at a future Board Meeting, along with a formal charter.

C. Clubhouse

Tom Baugh volunteered to head up a Clubhouse Committee. He toured the Clubhouse with Greg Turnbow. Some items are regular maintenance. Issues included a non-functioning fan, broken spa jets and the doors. The Committee needs to make recommendations to the Board on the future direction for the facility. The committee can look at three options for finish levels and obtain pricing.

D. Owner Questions and Comments

1. An owner requested a list of the changes in the new Declarations. Lindsay Smith said she could draft a document, although she did not draft the amended Declarations. The Board will discuss this request at their next meeting.
2. Patti Vande Zande said the cost for a financial review would be \$4,000 and the cost for a full audit would be about \$6,000. The owners and Board agreed there should be a full audit. Patti Vande Zande will inform the CPA firm.

VIII. BOARD OF DIRECTORS ELECTION

The term of Meredith Van Dyne expired and she was standing for re-election. Debbie West submitted a self-nomination. Secret ballots were distributed and tallied. Counting of the ballots

was conducted by homeowner volunteers with oversight by Lindsay Smith. The result for the first ballot was 21 for Meredith Van Dyne and 20 for Debbie West. Lindsay Smith deemed the results too close to call as members of the counting committee expressed concern that duplicate ballots may have been issued. A second round of balloting was conducted after correcting the issue of duplicate ballots, caused by an owner's submission of proxies in addition to "secret ballots" that were not created by the Association. The result of the second ballot, conducted by the same homeowners, was 21 for Meredith Van Dyne and 15 for Debbie West and Meredith Van Dyne was re-elected to the Board. All proxies and ballots are records of the Association and are available for inspection by members.

IX. RESERVE FUND SCHEDULE REVIEW

Tom Baugh reviewed the following:

1. Roof Replacement – the costs exclude Building 1 and the Clubhouse and are spread over six years starting in 2021 with an inflation factor. The estimates do not include any plywood substrate replacement. A roofing contractor or house inspector will be asked for a recommendation regarding the priority and timing of the roof replacements. The goal is to obtain at least updated three bids.
2. Stucco Maintenance – moved to an Operating expense.
3. Asphalt Sealing- \$16,700 is scheduled in 2021.
4. Clubhouse Mechanical – \$14,200 is scheduled in 2021.
5. Clubhouse Interior - \$21,000 is scheduled in 2020 to replace three sliding glass doors.
6. Exterior Clubhouse Stairs - \$25,000 is scheduled in 2020, rolled forward from 2019.
7. Tennis Courts - \$6,500 scheduled in 2020 for resurfacing.

X. SET NEXT MEETING DATE

The next Annual Meeting will be held Saturday, January 23, 2021 at 9:00 a.m. The Board Meetings will be held April 18, 2020, July 25, 2020 and October 24, 2020.

XI. ADJOURNMENT

The meeting was adjourned at 12:12 p.m.

Approved By: _____
Board Member Signature

Date: _____