

THE ENCLAVE AT KEYSTONE

Special Board of Directors Meeting

February 5, 2007

Board Members	Ralph Tufts	Unit 15	Blake Shutler	Unit 28
	Bob Chisholm	Unit 4	Melissa Trask	Unit 23
Owners	Don and Meredith Van Dyne	Unit 16		
	Bill & Marianna Goslau	Unit 36		
	Carolyn Shutler	Unit 28		
Others	Bob Polich	Mountain Systems		
	Ed Storako	Excellent Construction		

President Ralph Tufts called the meeting to order at 10:05 AM.

Ed Storako of Excellent Construction had presented information at the December 28, 2006 Annual Meeting regarding building concerns at the Enclave. Ed was interested in bidding on the project work and was familiar with the Enclave buildings from work his company has performed in the past. Ed spent the last month preparing a detailed analysis of the work required and obtained bids from subcontractors. Ed had been in contact with O'Bryan Partnership Architects regarding details of the work including the use of conventional stucco and removal of the siding. Ed presented a summary of the cost of the work to the Enclave Board.

Presentation. Ed indicated there were two areas he had identified that could be altered from the current conceptual drawings from O'Bryan Partnership Architects to reduce costs. The use of the rock wainscot on the front was to protect the finish from snow and moisture. The conventional stucco provided a similar protection. The conceptual drawing had steel railings with a circle feature near the rail top. Ed indicated the same look could be obtained with aluminum at a \$5,000 to \$10,000 added cost, but it would limit the amount of future refinishing saving a considerable amount in future maintenance.

Ed had obtained a bid for the stucco from Dave Jimenez of Highlander Lath & Plaster who had previously met with the Board on December 13, 2006 regarding stucco options. Ed had also obtained a bid from a stucco contractor in the Denver area. Ed indicated the local bid was more cost effective as the issue of housing the labor force was not a factor and timely completion of the stucco was critical to the project.

Ed presented the Board with a bid package consisting of seven options ranging in cost from \$2,752,353.35 to \$2,537,591.85. The bids were categorized into 11 subcategories. Ed reviewed in detail with the Board bid option #1 for \$2,752,353.35.

1. General conditions. \$113,159.36. Included mobilization, trash removal, sanitation facilities, insurance and overhead.

2. Siding demolition. \$96,117.42. There has been substantial discussion regarding the removal of the existing siding over the last few months. There is general agreement that a significant portion of the siding had to be removed to correct known building water intrusion issues and to install flashing and moisture barriers. Ed indicated there could be a saving of about half of the removal cost if some of the siding was left in place. However, he felt this savings would more than be absorbed by higher costs in the stucco application to provide a smooth surface. More important was the removal of all of the siding guaranteed that all moisture problem areas, even those hidden and not currently known would be corrected. There is sheathing under the siding so the removal provides a smooth base surface to work from.

3. Decks. \$211,844.11. Every deck surface at the Enclave, including the clubhouse, would be removed and replaced with synthetic Trek type material. Some decks are in poor condition, but the overall benefit would be the reduction in future maintenance required. All railings would be removed. The rear decks from Unit 1 to Unit 29 needed to be removed to correct drainage problems. They would be completely rebuilt. There are 30 front decks that have deck posts below grade that would be corrected to be on concrete footings. Replacement of the deck rails will require a building permit. The permit would require a correction of existing front stairs on 12 units that are not constructed to code. All front stairs would be adjusted and reinstalled.

4. Building Preparation. \$296,417.01. Ed noted that the application of the final building finish of stucco would only be as good as the underlayment preparation. Framing in areas currently below grade would be repaired. Some garage fronts were not installed with the footer wall extending above the slab line. These areas would be sealed. All existing vents would be extended as part of the installation of flashing around the vents. All electrical lights and receptacles would be removed and re-installed for the new exterior finish level. The cable and telephone wires in the rear would be removed and re-installed to eliminate any unnecessary wiring and allow application of the finished surface. Many of the gas meters are too close to the building surface to allow the correct application of the finish. The gas meters would be adjusted to provide a sufficient gap from the building. The current utility shed type roofs would be removed. The replacement utility covers would be gable type roofs as recommended by Xcel Energy. All windows and door connections to the building would be flashed, sealed and water proofed. Each building would have a full vapor barrier installed. All new window and door trim installed would be synthetic. Owners would have the option to install new windows, at their expense, during the construction. Once the contractor is retained, the decision of the owner to install new windows would need to be made as the order time for windows is a minimum of 4 to 6 weeks. Ed indicated he was in contact with some window provider, but did not have an estimated cost at this time. The installation of the window trim would allow the windows to be removed and replaced at a later date.

5. Roof repairs. \$ 155,736.73. About three sections of the shingles on the upper roofs would be removed to allow installation of new edge metal, diverters on the sidewall locations, flashing and sidewall water proofing. Installation of the flashing and water proofing materials would be on the roof and sidewall connections. Removal of the siding will benefit awareness of all areas in need of additional water proofing.

6. Garage doors without openers. \$162,232.00. The garage doors are a higher quality cedar covered door with upper windows as depicted in the conceptual drawing. Units with current building code garage door openers (required since 1993) would be reconnected. Owners with older garage door openers can have them replaced with new openers for \$862.40 for both doors.

7. Stucco. \$1,011,114.72. The question was raised regarding why stucco is the best finish for the Enclave. Once stripped the buildings could be finished in natural wood cedar. The cost of the cedar finish would be about the same. However, the cedar would require refinishing every 3 to 5 years. The stucco would require annual power washing to maintain the best appearance, and it is possible the UV exposure would require painting in 15 to 20 years for the best appearance. The life expectancy of cedar is about 30 years before replacement. Conventional concrete stucco is expected to last the life of the buildings. Stucco is more desirable for the Enclave due to substantial savings in future maintenance.

8. Stone wainscot. \$145,208. Natural stone would be used matching the existing stone at the Enclave. Installation would include a capstone and steel support.

9. Painting. \$110,208.00. The painting would be existing wood surfaces including under the front decks, roof trim and painting of the new trim around the windows and doors.

10. Steel railings with O rings. \$330,316.00. The steel railings were per the conceptual design with architectural O rings in the top rails. The rails are powder coated and painted.

11. Excavation and grading allowance. \$120,000.00. Allocation to change drainage grading, fill voids under back decks, install French drains and remove excess soil from siding areas.

The total cost for this option \$2,752,353.35. The Board then compared the initial option to six others that reduced the cost of the railing and stone work. A middle ground option was \$2,638,557.78. The Board favored the use of aluminum railings without the architectural O ring feature. Not included with this cost is the architectural preparation of the bid documents and the inspection and overseeing of the work in progress.

A proposed work schedule was presented that began mobilization the first week in May with project completion no later than mid October. The work was done in phases beginning with building 1 and ending with the clubhouse. Each building took between 4 to 6 weeks and three buildings were being worked on at the same time. Ed indicated his time frame would require a commitment by the first week of March to begin obtaining materials.

Replacement of the front entry doors for the units was discussed. There are various options, but to improve the appearance a wood door instead of metal would be needed. An average cost would be \$1,200 to \$1,500. The door could be replaced at anytime. The Board decided to discuss this issue in more detail in the future.

Ed was thanked for all of the work he had put in on the presentation and left the meeting.

Board Discussion. The Association has requested the O'Bryan Partnership to prepare documents to allow bidding on the work with each contractor bidding on the same information. It was expected these documents would be prepared by the end of the week. The work done by Ed Storako in the determination of the construction quantities for his bid likely will be more thorough than the O'Bryan bid documents. As a result the Board felt the bid cost presented by Ed was realistic. Additional bids that may be obtained could provide some cost savings. However, the bid from Ed represented a firm cost with a contractor who had extensive familiarity with the Enclave and who had been used by several owners for construction at the Enclave.

Based on the information provided the Board felt the special assessment necessary was \$65,000 per unit. The reserve fund would remain in place for future roof and asphalt replacement. The Board felt that based on the knowledge gained over the last year regarding the condition of the buildings there was no choice, but to begin the restoration of the Enclave. Historically, the Enclave has never allocated any owner assessment by square footage as that method is not allowed by the Declarations. Owners would be polled regarding their support of the Board decision and regarding whether or not if they would be interested in financing of the assessment if arranged by the Enclave. It was suggested that the collection of the assessment be tied to the construction work and payment draws of the contractor. This would allow owners, whether paying direct or through arranged financing, to fund the work as their unit was being restored rather than paying in advance. *A motion was approved to send these minutes and information to the owners with a questionnaire regarding owner support of the restoration and if they would be interested in financing arranged by the Association. The special assessment for each owner would be \$65,000. (Tufts/Trask,4-0).*

The meeting adjourned at 1:02 PM

THE ENCLAVE AT KEYSTONE

Special Board of Directors Meeting

April 5, 2007

Board Members	Ralph Tufts	Unit 15	Blake Shutler	Unit 28
	Bob Chisholm	Unit 4	Melissa Trask	Unit 23
	John Weisenfels	Unit 19		

Owners Don and Meredith Van Dyne Unit 16

Others	Bob Polich	Mountain Systems
	Ed Storako	Excellent Construction
	Gus Boughton	Trinity Construction

President Ralph Tufts called the meeting to order at 10:05 AM. John Weisenfels participated in a portion of the meeting via phone conference.

Bid Proposals. The Association had received two complete bid proposals from Excellent Construction and Trinity Construction. A few partial or incomplete proposals received were not considered. The Board had a general discussion regarding the comparison of the proposal prior to interviewing each contractor.

Trinity Construction. Gus Boughton provided a summary of his qualifications and bid. Items discussed included the benefit of the Sto stucco including the warranty and higher quality material. There was a discussion of elimination of the rock wainscot and the stone options. The excavation number was an allowance based on a bid obtained by the Enclave. There was a discussion regarding the use of aluminum for railings compared to metal. The use of synthetic deck materials for the railing was reviewed as a cost savings and low maintenance option. Included within the bid was roof work in the area next to the walls. An option was provided for roof work on the north sides to help with ice dams. Removal and construction of the back decks was discussed. The garage door bid was from Gore Range and was for wood clad doors. There was a discussion regarding the process that could be used to clean up some of the phone and cable wiring into the rear of the units. The bid included a schedule from May to mid-October. Gus was confident the work could be completed this summer. Gus provided more information regarding his construction background, billing format, and his expected payment requests. He was flexible on the order of buildings within the schedule. Some trees would need to be trimmed for the work.

Review of the Documents. There was a conference call with John Weisenfels regarding his review of the Aspen Ridge declarations.

Excellent Construction. Ed Storako had previously presented a bid to the Board at the February 5, 2007 meeting. The updated bid considered at this meeting reflected any changes and material increases since the original bid. Ed explained his basis behind selecting aluminum railing. The company to be used for the railing had a web site www.elegantaluminum.com with photos of sample rails. Ed indicated the railings would have lower maintenance, were attractive in appearance and structurally solid. The stucco product Sto was compared to the Teifs product. The stucco bid included a rock wainscot to 42 inches. The option to remove the wainscot included the additional stucco necessary. The wainscot bid used real rock. The garage door bid was through Gore Range who was the low bidder. The older type openers would not be connected to the new doors for liability purposes. The clean up of the phone and cable wiring in the rear of the units was discussed. Ed felt the gas meters were tight to the wall in many areas;

his bid included moving them and installing new roofs conforming to Xcel Energy guidelines. The billing process, inspections, payment draws and retainage was discussed.

Contractor selection. It was felt both contractors made excellent presentations and could accomplish the work. Gus had more experience in the commercial field and appeared to have tighter accounting practices. Ed had extensive experience with the Enclave and likely had a much better understanding of all of the work necessary. The Trinity based bid was approximately \$2.5 million compared to \$2.7 million from Excellent. However, once all of the options were considered the Trinity bid was near that of Excellent. The Board expressed a concern that without the extensive knowledge of the Enclave buildings that Ed had, Gus from Trinity may need to request change orders that ultimately would increase the cost above the Excellent proposal. There was a discussion of the excavation cost allocation in the Excellent bid. It was the one element of the bid that was not detailed. The excavation could potentially be lower or higher in actual cost depending on the scope. There was a unanimous agreement to select Excellent as the contractor at a fixed price including all itemized numbers in option #4 of approximately \$2.7 million less the excavation allowance that would be approved by the Enclave when the exact costs were determined.

Contractor Negotiation. Ed was contacted and requested to return to the meeting to confirm the intent of both parties. Details of the back decks were discussed. All decks would be reconstructed with steps. Decks with over two risers would require railings. The reconstructed rear decks would be dropped about 4" from the rear door for better protection from moisture through the door. Ed indicated the material orders would be staggered to eliminate large stockpiles of material on site. There was an agreement the excavation allowance would be dropped from the initial contract and added at a later date when the costs were better qualified. The final negotiated contract with Excellent would be a fixed price and change orders were not anticipated by either side. Ed would provide a detailed building schedule to allow monitoring of the timing of the work. The determination of the schedule needed to be completed as soon as possible to provide to owners. The parties agreed there would be monthly billings on the 25th that were due the following month by the 15th. A 10% retainage would be withheld from each payment. Ed would provide a billing for an initial payment to secure materials and sub-contractors. All monthly billings would include a project inspection. The project detail would require the billings to be based on schedule values with no partial billings. Permits were required for the railing work; it was anticipated the permits would be by building. Ed indicated he would begin immediately on the work needed to obtain permits and to start the project by the May 1st date.

Tina Utchel provided pizza to the Board. The meeting was adjourned a 5:15 PM.

THE ENCLAVE AT KEYSTONE

Board of Directors Meeting

April 7, 2007

Board Members	Bob Chisholm	Unit 4	John Weisenfels	Unit 19
	Ralph Tufts	Unit 15	Melissa Trask	Unit 23
	Blake Shutler	Unit 28		
Owners	Darrin Eisele	Unit 42	Meredith & Donald Van Dyne	Unit 16
	Steve Merrill	Unit 18	Dave West	Unit 25
	Fritz Trask	Unit 23	Carolyn Shutler	Unit 28
	Bill Goslau	Unit 26		
Others	Bob Utchel	Property Manager		
	Bob Polich	Mountain Systems, Inc.		

President Ralph Tufts called the meeting to order at 9:12 AM.

Minutes. *The minutes from the December 28, 2006 and February 5, 2007 meetings were approved as written (Trask/Chisholm, 5-0).*

Major Repair and Restoration. Ralph summarized the Board's work in the last year on the restoration project. Ralph indicated the Board has selected Excellent Construction for the work. The work will begin in the next two weeks with completion in October. The assessment will be \$65,000 payable when the work is done on each unit. The construction schedule is being prepared. A schedule of window replacement will be included in the next owner communication. All items on the decks will need to be removed for the work. Construction financing is available to owners and it can be converted to home equity financing. It is likely that owners can obtain financing independently at a better rate. Consideration of the restoration project began in 2004 and has been a three year process. Ralph expressed thanks to owners participating, Bob Polich, Bob Utchel and the Board of Directors.

Those attending asked the following questions:

Question: Where to store deck firewood? The garage was suggested.

Question: How was selection of Excellent made over others? Each contractor was interviewed multiple times. Each contractor made a strong final presentation. Ed Storako of Excellent has an in depth knowledge of the Enclave buildings and has completed construction work for the Association and individual owners over the years. Without the in depth knowledge of the Enclave buildings there was a concern the other bids might not cover the scope of the work required and this would lead to costly change orders. It was felt that the costs in the Excellent proposal had been determined in detail allowing the final contract to be a fixed price. It was felt that the other proposal did not have the same detail within their proposal cost. The project would be supervised by owner Blake Shutler. The Board was disappointed with the final work of the Architect O'Bryan Partners that was the preparation of the bid package. Most of the construction options selected were through detailed work by the Board and the contractors.

Question: Why was stucco chosen? Stucco may not have the same preferred look as natural cedar, but the benefits of a reduced initial cost coupled with substantial reduction in long-term maintenance costs makes it a better option. Based on interviews with the stucco sub-contractors, the use of conventional

stucco is a preferred choice for the long-term compared to the synthetic EFIS stucco in the conceptual plans.

Question. Will there be an increase in unit value? Owners who have discussed the restoration project with local realtors report they felt it should help increase value. A substantial portion of the restoration work was based on new knowledge of identified building deficiencies. When the conceptual drawing was done the architect estimated a 5-8% value increase. Most feel the Enclave has been undervalued and it is unknown if the restoration will improve on this. The new owner of Unit 42 reported his group looked at 75 units in the Keystone area. Their purchase in the Enclave was based on how they would remodel the unit interior and they strongly believe upgrading the outside is a critical element to raising the value to comparables in the area. A unique feature of the Enclave is the unit size which is not comparable to other units in the area. An example is a garage that is large enough to park a car in. The restoration project began with the concept to improve appearance and maintenance. During the last year the project focused more on correcting identified building deficiencies. The restoration work is intended to reduce future year maintenance costs. It was noted that the monthly association fees are less than comparable properties.

Question. Is the assessment sufficient to complete all items needed? The Board spent a great deal of time identifying all known issues to establish an assessment that would be sufficient to cover the cost of the work and to not have an assessment in the future. The existing reserve fund of \$425,000 remains for future projects. Projects including a complete roof replacement, improvements to the main entrance, and replacement of the asphalt are not included in the restoration work. It cannot be guaranteed, but the Board believes sufficient funds have been included to accomplish the tasks necessary.

Question. Have the colors been picked? There will be a meeting next week regarding the colors.

Question. Are there any penalties and incentives in the contract? The contract has not yet been written. It will focus on a fixed price and a strict completion schedule.

Question. Will the architect be involved? The architect will not be involved in the restoration work. It was felt the contractor has more experience in the building condition and material selected than the architect.

Question. Are there building code issues? It is expected the only building permit required will be for the deck railings. The contractor identified some issues with the stairs that will be corrected prior to any inspections. This example highlighted the difference in the contractors involved; the Excellent proposal included this work and it was not considered by any of the other proposals. The deck floors were being replaced as part of the restoration.

Question. What is the status of financing and how will owners be billed? The Association can obtain financing at prime for the construction work that can be converted to equity loans by owners at the end of the work. The cost of the construction financing and the equity loan would likely be higher than an owner could obtain individually. This is particularly true if financing is secured by a primary residence. The project documents will define a percentage of completion of each building that will dictate the monthly payment to the contractor. Each owner will be billed their unit's percentage share of the work as their building is being work on.

An owner expressed his gratitude to the Board for the amount of work done on the restoration project.

The Board approved the restoration of the Enclave requiring a \$65,000 special assessment based on the approval from 34 owners from the February 7, 2007 owner mailing. The \$65,000 special assessment

would be billed to owners as their unit is completed; the billing would be monthly allocating the completed percentage (per the construction schedule) by the 25th of the month payable by the 10th of the following month. The Board would have the Attorney for the Association prepare any documents necessary to confirm the restoration project approved by the owners. Excellent Construction has been selected as the contractor of the project at a fixed price of \$2,586,673.15 plus an excavation allocation of \$120,000 with the final excavation amount subject to Board approval. The Attorney for the Association will prepare a contractor agreement for the work. The work will begin no later than May 1, 2007 and completed by October 15, 2007. The Board will obtain construction loan financing in an amount necessary to facilitate the project and assist owners in obtaining financing of the special assessment. The cost of any construction loan interest will be allocated only to those owners using the financing. The cost of obtaining construction loan financing will be included within the project costs. (Chisholm/Tufts,5-0).

Financial Summary. The 2006 review has been released by the CPA and is posted on the website. Access is www.mtn-sys.com/enclave. The report is under financial with a login of enclave and a password of clubhouse.

Managers Report. The flowers in front of each unit would not be done this summer due to the construction. Joe Douglas would be returning as the assistant for the summer. A motion was approved to increase his hourly rate from \$14 to \$15. (Trask/Tufts,5-0). Joe was to start May 1st. The irrigation system would be turned on in May. Bob Utchel estimated about \$1,000 for the turn on and replacement parts. There was a motion approved to authorize up to \$1,000 for the sprinkler activation. (Trask/Tufts,5-0).. Some tree trimming will likely need to be done to facilitate the construction work. Bob will arrange for the cleaning of windows and carpet in the clubhouse this spring. Most attending felt it should be done prior to construction although it is expected the construction will require additional clean up at the end. The cleaning of the carpets in Unit #13 was approved in consideration of their allowing Association storage in their garage. The bathroom work in the clubhouse was scheduled to start next week. As there was spraying involved, Bob had scheduled the clubhouse to be closed from the 12th to 15th. Bob would provide information to owners on unit window and carpet cleaning.. The asphalt will be checked for annual patching and repair, but not much is expected to be done until after the construction. One of the clubhouse ceiling fans was out over the pool. Access was difficult and it was expected to cost \$500 to \$600.

Senate Bill 100/89. The final revision from the attorney will be will be posted to the web site.

Other. It was mentioned some owners still had holiday decorations displayed. The rules require removal 30 days after the holiday.

There was a further discussion of the restoration colors. Darrin Eisele felt the color choice was so important he offered to bring in a consultant they work with to help in the selection. The Board welcomed the assistance.

The next meeting will be July 7th, 2007.

The meeting was adjourned at 10:25 AM

THE ENCLAVE AT KEYSTONE

Special Board of Directors Meeting

April 13, 2007

Board Members	Ralph Tufts	Unit 15	Blake Shutler	Unit 28
	Bob Chisholm	Unit 4	Melissa Trask	Unit 23

Owners	Bill and Marianna Goslau	Unit 36
	Darrin Eisele	Unit 42

Others	Bob Polich	Mountain Systems
	Ed Storako	Excellent Construction
	Janine Griffins	Griffin Development

Janine Griffin was part of the Unit 42 ownership group and was brought in to provide color and finish recommendations to the Board. Prior to the meeting she met with the contractor

The meeting began at 12:30 PM.

Finish recommendations. Janine suggested the beams could be improved in the finish project by accenting the existing connectors in black and add two additional connectors per building. The black gusset brackets would improve the mountain look of the restoration work. The gusset brackets could also be included in the garage doors. The garage doors will be a focal point once the work is completed. She would provide some suggestion regarding updates to the light fixtures. There was a discussion regarding the overall appearance of the individual unit entrances with the new garage doors, light fixtures and front doors. The possibility of replacing the front door with a door similar in appearance to the new garage doors was discussed.

Janine presented a sample of the recommended colors. The main color would be the stucco that would be a factory color for consistency and maintenance.

Stucco:	café
House number, light fixtures, deck railing:	black
Garage doors:	natural tone redwood
Window trim:	light color
Gutters:	same as trim color
Deck trim / structure / stair support:	matched to stucco.
Deck floor	redwood

The recommended stucco finish was displayed. It was described as a rough, mountain look, “worm” finish. It was recommended to work with the stucco subcontractor to correctly locate the break lines used in hard stucco application for the best look.

There was a discussion regarding the rock wainscot and if it brought value to the restoration or was worth the cost addition. Janine suggested it did not add as much value as the cost and use of

stucco at the base would be just as effective. She suggested allocating the funds to other elements might be a better value. The Board requested Janine research suggested clad front doors that would be similar in appearance to the new garage doors. Wood front doors were not recommended. It was suggested owners be provided with three choices of approved front doors. The elimination of the wainscot would be considered at a later date.

Excellent Construction was requested to provide contract change orders reflecting adding the gusset brackets, eliminating the wainscot, and other minor changes discussed.

Some Enclave units had difficulty with ice build up from roof drainage over driveways and walkways. As a result owners would be allowed to add rain gutters at their expense during the restoration process subject to a license agreement delegating any liability and maintenance of the gutters to the owner.

Ed Storako provided a preliminary partial schedule that was discussed.

The Board discussed the next mailing to owners and how to insure all owners received the information. As there would be an initial contactor payment made for the work to start, it was decided to invoice each owner for \$3,000 due May 10th. This would establish the contact with each owner and determine which owners are interested in the construction financing.

The meeting was adjourned at 1:45.

THE ENCLAVE AT KEYSTONE

Board of Directors Meeting

July 7, 2007

Board Members	Bob Chisholm Unit 4	John Weisenfels	Unit 19
	Ralph Tufts Unit 15	Melissa Trask	Unit 23
	Blake Shutler Unit 28		
Owners	Ron & Marge Morey Unit 32	Meredith&Donald Van Dyne	Unit 16
	Pat & Dick Bursell Unit 11	Joe Thompson	Unit 22
	Fritz Trask Unit 23	Hap & June Dobbs	Unit 2
	John & Jean Pilon Unit 7	Carolyn Shutler	Unit 28
	Cathy Tufts Unit 15	Tim Rodgers	Unit 18
	Darin Eisle Unit 42	Cathy Weissburg	Unit 18
	Janine Griffins Unit 42	Mimi Clair	Unit 38
Others	Bob Utchel	Property Manager	
	Bob Polich	Mountain Systems, Inc.	
	Ed Storako	Excellent Construction	

President Ralph Tufts called the meeting to order at 9:00 AM.

Major Repair and Restoration. Ed Storako of Excellent Construction provided a report of the status of the restoration project. The first building was a learning curve and now the pace is picking up. All stucco material was batched for color and is being delivered by semi-load. Fabrication of the railing has been a problem as Summit County applied the commercial code rather than residential code to the work. Removal of the old siding was a prudent decision as much of the underlayment has required replacement due to water damage. Overall the restoration work is on schedule for completion this fall. However, the work schedule by building has been modified. Schedule modifications were made to accommodate rental usage of some units. The drainage work is occurring throughout the project and this has made rental activity difficult. The effort to keep the construction debris cleaned up was commended by the Board. There will be a meeting with Comcast to resolve the problems with the new connections. Currently 27 units are under some form of construction. The club house will be closed when work starts on it. Owner options include replacement of the front door and the installation of gutters with downspouts. Ed indicated the gutter cost was \$900. The gutter installer has recommended against installation of any gutters on the back side of the buildings.

Minutes. *The minutes from the April 5, 2007, April 7, 2007 and April 13, 2007 meetings were approved as written (Tufts/Chisholm, 5-0).*

Keystone Citizen League. A flyer was provided to interested owners regarding the Keystone Citizen League and their upcoming social event. Owner Donald Van Dyne explained the League started years ago in an attempt to incorporate the Keystone area as a town. Currently the focus of the group is to communicate with Keystone and monitor development in the area. The annual dues are \$10 and there are 215 members.

Financial Summary. All units will have paid the \$3,000 portion of the special assessment with the expected payment from one unit next week. A financial summary through May 2007 was provided at the meeting. In total the Association expenditures were about \$2,000 greater than budgeted with higher spending for maintenance, snow removal and legal fees for the restoration contracts. Savings had been realized in utilities and workmans compensation insurance. The reserve fund is anticipated to end the year with a balance of \$475,000. The restoration work is accounted for separately with a detail of each draw by unit.

Managers Report. Property Manager Bob Utchel reported water was required to be added to the pool daily indicating a leak. A bid had been received for \$730 to replace the filter o-rings. A leak test would be done next week to further identify the source of the leak with any work required done while the clubhouse was closed for the restoration work. Only minimal work would be done on asphalt areas due to the construction activity and planned replacement in the next few years. A leak in the racket ball court area roof should be corrected. Testing of the security system, fire and temperature sensors was deferred a year because of the restoration work. A design to upgrade the entryway was being developed. The section of the property along the road to the east of the entry was not owned by the Enclave. Use of individual owner electricity for the restoration work had resulted in higher utility costs to owners and problems with tripped circuit breakers. The construction activity had damaged some of the sprinkler heads, resulting in limited water in some areas and the grass is damaged in areas from material storage. There was a suggestion to hand water areas if necessary.

Next Meeting. The next meeting was set for Saturday October 6, 2007 at 9 AM. Subsequently the meeting was moved to Sunday October 7, 2007 at 9 AM.

Other. The restoration project had generated a lot of interest in the area with several associations contacting owners for information on how to initiate similar improvements. Unit 42 has requested permission to convert the sale of their unit into quarter sharing. Currently Unit 4 is structured for quarter ownership from the original project Declarant. The concept behind fractional ownership is it is deeded and the income from the fractional sales is greater than income from a full ownership sale. The Board is considering the issue as part of the review of the Documents of the Association. There was a question if the street lights in the Units 1 to 15 that cause glare would be modified as part of the restoration work. A question was raised regarding the expansion of the back decks. The Board would approve expansion subject to the overall size and available space for expansion.

The meeting was adjourned at 11:03.

THE ENCLAVE AT KEYSTONE

Board of Directors Meeting

October 7, 2007

Board Members	Bob Chisholm Unit 4 Blake Shutler Unit 28	Ralph Tufts Unit 15
Owners	Ron & Marge Morey Unit 32 Carolyn Shutler Unit 28 Hap & June Dobbs Unit 2 Cathie Tufts Unit 15 Sandi & Arnie Shevin Unit 9	Meredith & Don Van Dyne Unit 16 Lois & Joe Thompson Unit 22 John & Jean Pilon Unit 7 Darrin Eisele Unit 42 Bill & Marianna Goslau Unit 36
Others	Bob Utchel Property Manager Ed Storako Excellent Construction	Bob Polich Mountain Systems, Inc.

President Ralph Tufts called the meeting to order at 9:08 AM. The owners attending introduced themselves. There was a moment of silence in remembrance of Melissa Trask.

Minutes. *The minutes from the July 7, 2007 meetings were approved as written (Chisholm/Tufts, 3-0).*

Major Repair and Restoration. The restoration project was nearing completion and will be completed this year prior to any weather problems. There have been a few additional items requiring attention including below grade wall fixes on about half the units, concrete repairs on the lower part of the clubhouse, replacement of some clubhouse windows, and repair of the stone on the clubhouse. The special assessment is adequate to cover these items, but there are not sufficient funds to have any work done on an entryway this year. Damage to the grounds will be filled with topsoil this year and reseeded in the spring. There was a discussion of the scope of the entryway. It was felt the Enclave had the available property for an entryway without encroaching on the highway easements or the strip of land in front of the east end of the Enclave not owned by the Association. It was confirmed only two front door options were available to owners. The stain for the doors would match the new garage door finish. The owners felt the contractor had done an excellent job in cleaning up the area for the scope of the project. Asphalt work was tentatively scheduled for next summer, but could be deferred for both financial purposes and to provide a break from construction activity for a summer. The contractor is aware of the problems with the telephones and is working with Qwest to resolve them. The security system is not affected by the phone problem. Work will be done to upgrade the dumpsters as part of the project completion.

Financial Summary. Bob Polich of Mountain Systems provided a financial summary through eight months that included a preliminary 2008 budget. In total, operations were near budget and it is projected they will be at budget for year end. There are higher expenses for clubhouse repairs and the legal cost involving the Declarations consolidation and the restoration contract. There has been savings realized in utility costs. The 2008 budget anticipated retaining the same dues of \$525. An updated reserve fund schedule was provided to owners. The schedule had been consolidated. The reserve fund is projected at the end of 2007 to have a balance of \$475,000. Funding was tentatively allocated to asphalt work, the entrance and landscaping in 2008.

Insurance. The insurance was renewed September 1st with Farmers Insurance. Information on the insurance coverage was provided in the meeting notice to owners. The 2008 budget anticipated an appraisal update for insurance purposes of the building replacement value following the restoration.

Managers Report. Manager Bob Utchel reported he had contacted several asphalt companies to obtain bids for the future work. Bob had obtained snow plowing bids and felt the contractor being used for the drainage work as part of the restoration provided the best option. They will be doing the Keystone plowing and had equipment nearby. A skidsteer would be stored at the Enclave to facilitate removal. Removal was scheduled when a snow fall of 4 inches or more was received. Damage to the sprinkler system from the construction activity would be fixed in the spring. The system had been reconnected to allow a complete blow out for the winter. No problems were expected with the system next summer. Bob reported he was looking for a new assistant for the winter that was able to handle more responsibilities around the project. He expected to hire a new employee by November at the current rate of \$13 per hour.

Restoration - continuation. Ed Staroko of Excellent Construction arrived at the meeting and provided more detailed information of working with Qwest and Comcast on the connection problems. Ed felt all the issues would be resolved. Ed would meet with all of the workers regarding excessive vehicle speed and trash clean up. There was a discussion regarding interior drywall nail pop holes.

Cable TV Renewal. The existing Comcast contract expires November 20, 2007. The term is seven years with renewal of seven years. The rate remained the same at \$24.17 per month. The contracted rate is about half of the regular Comcast rate. The rate is subject to annual increase at the same percentage as individual rate changes. The contract provides for basic and extended basic channels (about 40 channels). Additional services from Comcast including digital, HD, premium channels and internet can be arranged directly with Comcast at an additional fee. There were no realistic alternatives to the Comcast product in the area. The Board would resolve the service and connection issues with Comcast prior to execution of the contract.

Declaration. The attorney for the Association had prepared an Amended Declaration that would consolidate the existing three Declarations of the Enclave, Hearthstone and Aspen Ridge. The three associations were merged in 1990, but all three Declarations were left in place causing some confusion. The Enclave and Hearthstone Declarations were the same with the Aspen Ridge Declaration applying to only the clubhouse. The draft of Amended Declaration was currently being reviewed. Adoption would require a 2/3rds approval of all owners and lender approval. There was a discussion of two additional items that could be included in the Amended Declaration. There was one quarter share unit at the Enclave. The existing Declarations allow quarter sharing, but only if originally set up by the declarant. The other item was to establish the units as townhomes that would allow expansion into the limited common areas defined on the plat without a modification of the plat. Control of any building expansion would be through the Board and an Architectural Review Committee. There was a discussion of the attending owners of the pros and cons of each item. Based on the owner input, the Board decided the consolidation of the Amended Declarations should proceed without consideration of the quarter share or townhome designation at this time. Subsequent to the meeting, a further legal review indicated modification of the existing quarter share language should be considered and the townhome designation was no longer considered necessary.

Next Meeting. The next meeting, is scheduled for Saturday December 29, 2007 at 9 AM.

Other. Owners were reminded there is an open position of the Board and owners interested should contact the Association. Don Van Dyne indicated recent meetings regarding Keystone indicated they are nearing the start of a major Mountain House renovation. The plan would include additional real estate and could take up to 15 years to build out. The moving of the River Run gondola base to the center of the village was scheduled for next year.

The meeting was adjourned at 10:59.

THE ENCLAVE AT KEYSTONE

Board of Directors / Annual Meeting

December 29, 2007

Board Members	Bob Chisholm Unit 4	Ralph Tufts	Unit 15
	Blake Shutler Unit 28	John Weisenfels	Unit 19
Owners	Ron & Marge Morey Unit 32	Meredith & Don Van Dyne	Unit 16
	Carolyn Shutler Unit 28	Deborah & Gary Gerhard	Unit 21
	Hap & June Dobbs Unit 2	John & Jean Pilon	Unit 7
	Darrin Eisele Unit 42	Carmen & Mike Christy	Unit 1
	Ed & Jill Storako Unit 39	Bill Goslau	Unit 36
	Patty & Dale Howell Unit 35	Terri Gibbons	Unit 6
	Jonathan Knopf Unit 29	Mike Rainen	Unit 33
Others	Bob Utchel	Property Manager	
	Bob Polich	Mountain Systems, Inc.	
	Scott Kumpf	Attorney for Unit 42	

President Ralph Tufts called the meeting to order at 9:09 AM. The owners attending introduced themselves.

Minutes. *The minutes from the October 7, 2007 meeting were approved as written (Chisholm/Tufts, 4-0).*

Major Repair and Restoration. The restoration project has been completed. Final work and punch list items were being done in December and a few items remained. There was a discussion of punch list items remaining to be finished. Some of the owner items, including new optional front doors were to be installed in January. There were questions regarding the new front door locks connection to the security system; patio door replacement; and interior drywall nail hole damage.

The restoration project was paid for by a special assessment totaling \$2,795,000. The original project fixed cost was \$2,475,320.79. Added to this was \$108,587.28 for excavation and drainage work. Change orders will add approximately \$115,000 for work on the dumpster enclosures, sister walls, and club house changes including windows and concrete. Approximately \$98,000 will remain from the original assessment.

Amendments. Owners had been sent via email a proposed First and Second Amendment to the Declarations. Copies were provided to owners at the meeting and are in the owner 2008 assessment mailing. The Enclave was a merger of the Enclave, Hearthstone and Aspenridge Associations in 1990. The Declarations of the Enclave and Hearthstone are identical. The Aspenridge Declarations were for the clubhouse. The purpose of the First Amendment was to merge the documents to a single form. There were no comments regarding the proposed First Amendment.

The Second Amendment was a modification of Section 16 of the Enclave and Hearthstone Declarations concerning fractional ownership. Unit 4 was structured as a quarter share unit by the original developer / declarant. The current Section 16 allows additional fractional ownership units to be set up only by the declarant. Unit 42 is currently selling quarter shares of their unit and attended the meeting with their attorney. The Unit 42 owners had submitted a letter to the Board indicating their intent to instigate litigation unless their unit was allowed to be set up for quarter shares. They felt the Board had provided an authorization for this in July. There was a lengthy discussion regarding the claim and their request at the meeting for some action to be undertaken that would allow closing of fractional ownership deeds on their Unit in January. *A motion was approved to table the discussion until the owners meeting adjourned. (Weisenfels/Chisholm,4-0).* The discussion continued regarding the Second Amendment and fractional ownership. The pros of fractional ownership indicated there was a 30% value increase in the current market and the transfer options it provided current owners and their families in the future. Concerns of fractional ownership included additional usage of Enclave facilities, fractional owners not having the same pride of ownership, and the effect on non-fractional units. There were questions regarding what the involvement of the Board and Association would be in the management of new shared units. Concerns were voiced regarding the equity of the proposed Second Amendment requiring individual approval of each quarter share unit. There was a suggestion to provide owners with an additional choice to either prohibit future fractional ownership or to allow it for all units. Owners were reminded the consent form on the Amendments should be returned by the end of January.

Financial Summary. Bob Polich of Mountain Systems provided a financial summary through eleven months that included a projected 2007 year end and the 2008 budget. An updated replacement reserve fund schedule was also provided. It is anticipated the operating cost of the Enclave will be close to budget for 2007 resulting in a year end reserve fund balance of \$480,000. Not included in the reserve fund balance at this time are the anticipated funds of \$98,000 retained from the restoration project. Major projects anticipated in 2008 include the repaving of the asphalt, construction of a formal entrance and upgrade of the irrigation system. Other components of the reserve schedule include future trim painting, roof replacement, the replacement of the security system and clubhouse upgrades. The schedule anticipates a reduction of reserve contributions in the future. There was a question to the restoration contractor Ed Storako if he was aware of any future building problems that should be corrected. Ed indicated general maintenance would need to continue on areas including the stone work to maintain its appearance. The dues for 2008 remained the same at \$525 per month.

Financial review. A proposal for the 2007 financial review and tax return at a cost not to exceed \$4,600 had been received from the CPA firm Gordon, Hughes and Banks. The Board felt the current financial controls including the Board review of the bank statements made the additional cost of an audit not warranted. *The Board approved the 2007 financial review and tax return at a cost not to exceed \$4,600. (Chisholm/Weisenfels,4-0).*

Managers Report. Manager Bob Utchel reported A-Peak Asphalt had provided a proposal of \$257,920. The proposal was subject to a 5%-10% cost variance pending asphalt material costs in 2008. The work would include removal and replacement of the unit driveways to correct drainage problems. The main roadways would be overlaid with 2 inches of asphalt with the

replaced driveways covered with 3 inches. The work was anticipated to take two months and would be broken into three phases. Excavation work would begin around May 1st. Phase 1 would involve Units 1-15 and Units 25-29 and was expected to take 3-4 weeks. Phase 2 would include Units 30-43. It would take 3-4 weeks and was expected to be completed prior to July 4th. The final phase of Unit 16-24 was expected to take less time. It was indicated that about 85% of the roadways were at a correct elevation to allow drainage from the replaced driveways. The areas without proper slope would be corrected. A concrete drain pan would be installed in front of Building 1 to improve drainage in that area. Sleeves would be installed under the driveways for the sprinkler pipe and controls to be run. The work would add a few parking spots. The Board desired two more bids on the asphalt work prior to final consideration. Bob estimated landscape improvements would cost \$25,000 to \$50,000 including replacement of 400-500 sprinkler heads and repair of the lawn areas. The winter weather had resulted in roof ice causing a concern for the new decks and utility covers below. The ice would be removed. Bob indicated some of the rental group owners had inquired regarding if the bus service from Keystone could be contracted for again. Bob indicated the rental group indicated they would contribute to some of the cost. There was a discussion regarding the cost was approximately \$25,000 two years ago when it was discontinued and it was expected to be higher now. The rental group would be contacted regarding the amount of funding they would provide. There had been preliminary discussions regarding removal of dead trees in the land behind the Enclave. It had not been determined what the cost of any work would be to the Association.

Election. There was one position available on the Board of directors. Eighteen units submitted votes with Unit 16 owner Meredith Van Dyne elected to a three year term on the Board.

Next Meeting. The preliminary 2008 meeting schedule was set as March 22nd, July 5th, September 27th and December 27th. All meetings are at 9AM in the clubhouse. The meeting schedule is subject to change.

Other. There was a request to keep the owners updated via email of the fractional ownership question and amendments. It was indicated that 14 units were involved in rental.

The owners meeting was adjourned at 11:29 AM.

Executive Session. The Board held an executive session with the Unit 42 owner and his attorney to clarify the position of each side. No action was taken.

The Board would request the attorney for the Association consider a suggestion by Unit 42 to have the original Enclave owners (Units 16-24 and Units 30-43) consider the Unit 42 fractional ownership request separately. The Board would send a non-binding electronic survey to owners regarding if they approved or disapproved of fractional ownership (specifically quarter share).

Officers. Officers selected for 2008 were:

Ralph Tufts	President	John Wisenfels	Vice-President
Meredith Van Dyne	Treasurer	Bob Chisholm	Secretary.

The meeting was adjourned at 1:15 PM.