

THE ENCLAVE AT KEYSTONE

Board of Directors

March 22, 2008

Board Members	Meredith Van Dyne	Unit 16	Ralph Tufts	Unit 15
	Blake Shutler	Unit 28	John Weisenfels	Unit 19
Owners	Ron & Marge Morey	Unit 32	Donald Van Dyne	Unit 16
	Arnie Shevin	Unit 9	John & Jean Pilon	Unit 7
	John Gaffin	Unit 42	Ed Storako	Unit 39
	Mike Rainen	Unit 33	Bill & Marianna Goslau	Unit 36
	Lou Van Houten	Unit 41		
Others	Bob Utchel	Property Manager		
	Bob Polich	Mountain Systems, Inc.		

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

Minutes. *The minutes from the December 29, 2007 meeting were approved as written (Tufts/Weisenfels, 4-0).*

Major Repair and Restoration. Ed Storako of Excellent Construction reported there were a few roof leaks and a problem with air leaks from the Jenn Air hoods in several units. The trash dumpsters would be completed in the spring. All phone connections and security systems were operational.

Amendments to Declaration. The Enclave owners had approved the proposed First Amendment to the Declaration that would consolidate the existing three declarations into a single declaration. The mailing for the lien holder vote was being prepared. The proposed Second Amendment that would have altered the quarter share section of the original Declaration did not obtain the required owner votes.

Shared Ownership. The meeting notice sent to owners included information regarding the resolution of the Unit 42 quarter share conflict. The ownership was as Tenants in Common and this ownership method is not prohibited by the Declaration. Unit 42 quarters share owner John Gaffin provided a brief update on the Unit 42 ownership that includes two owners from the Front Range and two from out of state. The quarter share owners can utilize their weeks or rent them. Discussed were the differences between quarter shares and timeshares, quarter share management, and the resale for the quarter shares.

The Board believes the Association should continue to obtain information regarding fractional ownership to determine if a policy should be developed. Issues to be considered include limitation of the number of Tenants in Common shares and restrictions to prevent the Enclave from becoming a vacation timeshare property. One difference in quarter share ownership compared to full ownership was there were a limited number of mortgage companies in the country that will lend on quarter interests. There remained a question if the additional property value from the quarter share sale indicated by Unit 42 was from the recent improvements or the unique quarter share concept.

Financial Review. The annual CPA financial review is in a draft format. Once released in its final form it will be available on the Association web site. The review will include a note that the \$65,000 special assessment is an increase to the basis of each unit.

Financial Summary. A financial summary for the two months ending in February was provided to owners. Overall the Association is \$2,000 over budget with \$8,000 in additional snow removal costs. The reserve fund balance of \$530,000 at the end of February includes \$93,000 remaining from the special assessment.

Managers Report. Manager Bob Utchel provided three proposals for asphalt replacement. A-Peak had updated their December 2007 bid of \$257,920 by \$8,000 for price increases. Double M Asphalt provided a bid of \$264,450. A bid from Edwards Asphalt was \$225,000. The Board felt the asphalt work should be done in 2008 for cost efficiency and to coordinate it with the sprinkler system and landscaping repairs. The work would remove all asphalt from the garage driveways to correct drainage problems and include an overlayment of the principal drive lanes. Improved drainage would be addressed in the areas of Unit 1; Units 25-29; and Units 41-43. The gap between the garage concrete and asphalt would continue to require regular caulking maintenance. There was a discussion regarding if utilizing more fabric underlayment in the work would prevent cracks. A quote from another large area asphalt company, Columbine Hills would be solicited. The Board would qualify the bids and costs. When the contractor was selected, a schedule would be determined and provided to owners.

Bob reported he was working with two landscaping companies to provide bids for the repair work this summer including the sprinkler system. There was a discussion regarding how the new excavation and drainage work was expected to work. Joe Douglas would be returning as the summer assistant from May 1st through November 1st. The Board authorized a pay rate of \$16. Discussed were tree trimming, landscape equipment maintenance and repairs to the golf cart. Bob indicated he would be on vacation from May 2nd to May 13th. Bob requested an additional vacation week this year to compensate for the limited assistant labor during winter.

Forest Service Access. The Forest Service was preparing for a major forest management program in the Keystone area scheduled for 2010 to 2012. As part of the work the Forest Service had requested a limited temporary easement on the east end of the Enclave to access public lands for tree removal.

Next Meeting. The next meeting is scheduled for July 5th at 9 AM in the clubhouse.

Other. It was indicated the Mountain View Plaza dumpster was an eyesore from the Unit 41-43 building and a request was made for the Association to contact them. Comments from owners including adding recycling; occasional poor signals from Comcast Cable; the location of the bus stop for Mountain View Plaza; actions in the legislature this year regarding the application of the Fair Housing Act to homeowner associations; and a signal light at the Mountain View Plaza entrance. An upgrade to the main Enclave entrance was under consideration for this summer, but there was no specific scope at this time. A few owners encouraged the Board to consider upgrades of the clubhouse and entrance that would enhance the value of the property. They suggested that funding could be increased by utilizing special assessments financed over several years. Bob Utchel indicated some owners had expressed an interest in window tinting and he had some samples in the office. Bob indicated a few owners had suggested common window cleaning by the Association; it has been done on an individual basis in prior years.

The meeting was adjourned at 10:42 AM.

THE ENCLAVE AT KEYSTONE

Board of Directors

July 5, 2008

Board Members	Meredith Van Dyne	Unit 16	Ralph Tufts	Unit 15
	Blake Shutler	Unit 28	John Weisenfels	Unit 19
	Bob Chisholm	Unit 4		
Owners	Ron & Marge Morey	Unit 32	Carolyn Shutler	Unit 28
	Jerry Truax	Unit 20	Patty Howell	Unit 34
	John Gaffin	Unit 42	Ed Storako	Unit 39
	Bob Appelwick	Unit 10	Bill & Marianna Goslau	Unit 36
	Joe Thompson	Unit 22	Ron & Margaret Morey	Unit 32
	Bill & Sharon Bouck	Unit 12	David Beemer	Unit 6
Others	Bob Utchel	Property Manager		
	Bob Polich	Mountain Systems, Inc.		

President Ralph Tufts called the meeting to order at 9:05 AM. The owners attending introduced themselves.

Minutes. *The minutes from the March 22, 2008 meeting were approved as written (Chisholm/Weisenfels, 5-0).*

Restoration, paving and landscaping. The paving work was proceeding well and completion was expected within two weeks. The landscaping and sprinkler system repair was in progress. The area behind the buildings would be hydro seeded next week and would include wild flower seeds. Irrigation to help the hydro seed become established is being considered. There are several punch lists for the restoration work completed last year. The stucco punch list work would start next week.

Amendments to Declaration. The First Amendment to the Declaration was approved by the owners and lenders. It has been recorded and is in effect. The Amendment consolidated the documents of the Association. The documents are available at www.enclavekeystonehoa.com.

Financial Report. A financial summary for the five months ending in May 2008 had been provided by email to owners by Bob Polich of Mountain Systems. The operating expenses were \$12,000 greater than budgeted. The majority of the added expenses were from snow removal from the roadways and building roofs.

Front Entrance. Frisco Architect Darrick Wade had been contacted regarding consulting on the front entrance sign and landscaping. A meeting was scheduled for Friday July 11, 2008 at 1:30 PM.

Managers report. Manager Bob Utchel presented the managers report. There was a discussion regarding watering of the new landscaping and the planned hydro seeding. One of the club

house ceiling fans needed maintenance, but access was a problem. Ed Storako of Excellent Construction would arrange for scaffolding to access the area. Bob reported the club house air handling system had been repaired. The exhaust fans in the club house required maintenance. The existing boilers in the clubhouse are 15 years old and may require replacement in the future. There was a discussion of the benefits and surface problems with installing the fence windscreens at the tennis court. Window and carpet cleaning would be done for owners following the completion of the asphalt work. The window cleaning cost was \$110 and the carpet cleaning averaged \$300-\$350 per unit. There were some missing shingles on the club house roof that should be looked at during the punch list work.

Quarter Share Ownership. The Board would be meeting in the future with the attorney for the Association to review if any limitations of shared ownership should be proposed. Limitations might include a restriction to ownership of no more than four unrelated tenants in common per unit. The Board will provide a recommendation to owners in the future.

Next Meeting. The next meeting is scheduled for October 11th at 9 AM in the clubhouse.

Other. There was a discussion if the property should have an updated appraisal for insurance purposes.

The meeting was adjourned at 9:50 AM.

Site Management. The Board held an executive session beginning at 10 AM considering the job performance of the manager and site management options. There was no formal action taken. The executive session was adjourned at 12 PM.

THE ENCLAVE AT KEYSTONE

Board of Directors

October 11, 2008

Board Members	Meredith Van Dyne	Unit 16	Ralph Tufts	Unit 15
	Blake Shutler	Unit 28	John Weisenfels	Unit 19
	Bob Chisholm	Unit 4		
Owners	Mike Rainen	Unit 33	Donald Van Dyne	Unit 16
	John Gaffin	Unit 42	Ed & Jill Storako	Unit 39
	Joe Thompson	Unit 22	Bill & Marianna Goslau	Unit 36
	Ron & Marge Morey	Unit 32		
Others	Mike Nachtigal	Property Manager		
	Bob Polich	Mountain Systems, Inc.		

President Ralph Tufts called the meeting to order at 9:09 AM. The new manager Mike Nachtigal was introduced.

Minutes. *The minutes from the July 5, 2008 meeting were approved as written (Chisholm/Weisenfels, 5-0).*

Restoration, paving and landscaping. The restoration, paving and landscaping are complete. The dumpster doors have been installed. Qwest is running new lines on the east and north ends of the property. Ralph Tufts acknowledged the assistance of the Board and owners Hap Dobbs and Joe Thompson in the site manager transition.

Financial Report. A financial summary through August had been provided to the owners. The operating costs exceeded budget by approximately \$9,000. The primary expense increases were from the winter season resulting in increased snow removal from the roadways and roofs. The financial summary included a preliminary 2009 budget. The budget retained the existing \$525 per month dues. The projected increase in operating costs and lower interest income was offset by a reduced contribution to the reserve fund. There was a discussion of the future roof replacement and landscape improvements. A suggestion was made to raise the dues and the merits and detriments of the increase were considered. The removal of snow from the roof should be continued as necessary. The dues would remain the same for 2009. Owners should anticipate a dues increase in 2010.

Front Entrance. There was a discussion of the front entrance modifications. The Board had received a design estimate from Neils-Lunceford with a cost range from \$250,000-\$300,000. The Association met with a design team including Architect Derrick Wade, a landscape architect and a sign designer. They developed several proposals, but none were accepted based on overall cost and installation complications with the entrance area. Consideration of front entrance improvements would continue next year. Discussed was keeping the improvements within a limited budget; the option of funding more landscaping rather than the entry; and the benefits of the dramatic entry compared to additional site landscaping. A suggestion was made to paint the letters of the existing signs black for improved visibility.

Tenancy in Common. John Weisenfels provided an update of the current Tenancy in Common status. The existing Declaration allows this form of shared ownership. The question is if there should be limits with regards to the division of a unit or the number of units this ownership format would be available to. The division of a unit into Tenancy in Common quarter shares may increase the value by 20% to 30% assuming all of the shares can be sold. The Board feels any shared ownership should be limited to no more than quarters. There was a question if ownership by true deeded shares or by tenancy in common was best for the Association. Restrictions of the shared ownership and format of ownership would require a change in the Declaration with approval by over 50% of the owners. There was a discussion regarding concerns of limiting the number of units that could have shared ownership, if restricting the number of unrelated owners was

practical, and if restricting ownership shares compared to the current unlimited rental options. The current direction of the Board was to limit the shared ownership to quarters, but to not restrict the number of units that could utilize shared ownership. There was no consensus regarding if the ownership should be formalized as true deeded quarters or limited to ownership as tenancy in common. An owners survey regarding the potential options might be attempted in the future.

Managers report. Manager Mike Nachtigal presented the managers report. A proposal for the resurfacing of the concrete around the pool area had been received. The finish would be a flagstone pattern, at a cost of \$10,900 (\$8.50 square foot) with an installation time of approximately 8 days. The security system batteries were due for replacement and the Board authorized the replacement at the projected cost of \$4,200. Mike had received several snow removal proposals and anticipated remaining with RKR who had plowed the Enclave for the last two years. The chimneys had been cleaned and a few minor problems noted. Mike would contact the owners with any fireplace issue that should be corrected. Mike indicated he was excited about being hired as manager and welcomed input from owners.

Re-Key. All units in the Enclave had been rekeyed. The clubhouse access code and security system master codes would be changed. The security of the garage door key access was being considered.

Board Positions. Owners were reminded that two positions on the Board were available for 2009.

Insurance Renewal. The Association master insurance was renewed with Farmers at a cost lower than the prior year.

Exterior Hot Tubs. Several owners had requested the installation of an external hot tub on the back decks be allowed. Concerns regarding exterior hot tubs include liability on limited common property, maintenance, damage from roof snow and ice, operation noise, and noise of use. The liability and insurance issues can be addressed by a legal agreement with the owner. There was a discussion if the noise concerns were different than other activities outside the units. It was recommended that a construction standard be established requiring installation on a concrete base requiring the tub to be inserted within the deck. There was a question if the size of the spa would be restricted and if allowing alterations to the decks would include other items including enclosures. There was no consensus on the issue by the Board. A proposed set of guidelines will be developed and considered at a future meeting.

Next Meeting. The next meeting is scheduled for December 27, 2008 at 9 AM in the clubhouse.

Site management change. At the July 5, 2008 meeting and at other times, the Board of Directors met in executive session in person, by telephone and by email regarding the employment of site managers Bob and Tina Utchel. Discussed at the meetings were job performance concerns including owner complaints received, verbal confrontations with owners and Board members, and the lack of attention to the operations of the Association. A separation agreement was prepared by the attorney for the Association that allowed for the mutual acceptance between the Utchel's and the Association to end the Utchel's employment as of September 5, 2008 with full compensation and benefits through the end of October 2008. Additionally, the agreement provided for a \$2,000 moving allowance and required moving from the managers unit no later than September 30, 2008. The agreement was modified to allow occupancy of the managers unit through October 7, 2008. The agreement was accepted by all parties on September 10, 2008.

The Board of Directors considered management options and interviewed for the manager position. The Board presented an employment offer to Mike Nachtigal with an annual salary, occupancy of the manager's unit, and health insurance benefits. The offer was accepted by Mike Nachtigal with an effective date of October 1, 2008.

A motion was made to ratify the management change. (Weisenfels/Tufts,5-0).

The meeting was adjourned at 11:17 AM.

THE ENCLAVE AT KEYSTONE

Board of Directors

December 27, 2008

Board Members	Ralph Tufts	Unit 15	John Weisenfels	Unit 19
	Bob Chisholm	Unit 4	Meredith Van Dyne	Unit 16(proxy)
	Blake Shutler	Unit 28(proxy)		
Owners	Mike Rainen	Unit 33	Jonathan Knoff	Unit 29
	John Gaffin	Unit 42	Ed & Jill Storako	Unit 39
	Patti Howell	Unit 34	Arnie & Sandra Shevins	Unit 9
	Hap Dobbs	Unit 2	John & Jean Pilon	Unit 7
Others	Mike Nachtigal	Property Manager		
	Bob Polich	Mountain Systems, Inc.		

President Ralph Tufts called the meeting to order at 9:15 AM.

Minutes. *The minutes from the October 11, 2008 meeting were approved as written (Chisholm/Tufts, 3-0).*

Financial Report. A financial summary through November had been provided to the owners. The Association was projected to end 2008 with expenses approximately \$23,000 over budget. The primary areas of cost increase were snow removal from the roof and asphalt areas during the 2007/2008 winter. The 2009 Budget anticipated a continuation of higher expenses. The dues for 2009 would continue at the existing monthly rate of \$525. The annual amount allocated to the reserve fund from the dues was decreased in the 2009 Budget by \$20,000 to cover the projected operating expenses. Reserve projects budgeted for in 2009 included sealing of the asphalt and funding for landscaping and/or entrance improvements.

Managers Report. Mike Nachtigal has been the site manager since October. Mike reported the refinishing of the pool area concrete had been completed. The Enclave phone number is forwarded to his cell number to allow for easier contact. Mike explained it is more efficient to not remove snow every time from unoccupied units. He requested owners contact him prior to arriving to insure the snow removal was completed. Mike suggested that a pool cover at night would reduce the condensation in the clubhouse. *A motion to install a pool cover at a cost not to exceed \$1,000 was approved. (Weisenfels/Chisholm,3-0).* The clubhouse was opened for owners from 9 AM to 9 PM.

Forest Service Management Plan. Ralph summarized the information provided by email to all owners regarding a proposed forest use plan that included dirt bike trails near the Enclave. Owners had been requested to submit letters of objection to the plan. There was a discussion regarding the adverse affect to the Enclave from noise, fire danger and reduced property values. The Enclave was part of a coalition with other homeowners groups in opposing the proposed uses. Keystone Resort is not taking a stance on the plan. It was felt the proposed use would be best in an alternate area of forest service land. Several owners volunteered to provide samples of letters written as a guide for other owners.

Annual Financial Review. *The Board approved a proposal from Eide Bailly for a financial review and tax return for 2008 at a cost not to exceed \$4,800. (Weisenfels/Chisholm,3-0). This was the same firm used in prior years. They had merged with another firm resulting in the name change.*

Tenancy in Common. Ralph presented the position of the Board that Tenancy in Common cannot be prevented, but the number of shares should be limited to not exceed quarters. There was a discussion regarding how a restriction would be legally accomplished by the Association. Comparison to rental occupancy was discussed including additional fees for this form of usage. It was noted that the recent changes in lending policies had resulted in problems in obtaining mortgages in some properties in the area due to rental activity. It was felt any rental controls would likely not be practical due to enforcement problems.

2009 Meeting Schedule. The tentative meeting schedule for 2009 was set as April 11th; July 3rd; September 5th; December 26th. All dates are subject to change.

Board of Directors Election. Five owners agreed to be candidates for two positions on the Board of Directors. A ballot was provided to all owners via email. Elected to the Board for three year terms were Ralph Tufts (Unit 15) and Hap Dobbs (Unit 2).

Other. Several meetings with contractors were held in the fall regarding an upgrade to the entrance to the Enclave. It was determined the cost exceeded the benefits that would be gained. There was a discussion regarding improving landscaping at the entry and other areas of the property. *Following consideration by the Board, the decision was made to not allow exterior hot tubs at the Enclave.*

Next Meeting. The next meeting is scheduled for April 11, 2009 at 9 AM in the clubhouse.

The meeting was adjourned at 10:25 AM.