

**ENCLAVE AT KEYSTONE ASSOCIATION
ANNUAL MEETING
JANUARY 28, 2017**

I. CALL THE MEETING TO ORDER, ROLL CALL AND PROXIES

The Enclave at Keystone Association Annual Meeting was called to order by Ron Morey at 9:01 p.m. in the Enclave at Keystone Clubhouse.

Board Members Present Were:

Ron Morey, President, #32
Bob Chisholm, Treasurer, #4
Lee Henry, #24

Meredith Van Dyne, Vice-President, #16
Richard Nadolink, #11
Sharon O'Connell, #42

Homeowners Present Were:

James & Susan Carahalios, Unit 15
Bill & Marianna Goslau, Unit 36
Patty Howell, Unit 34
Marge Morey, Unit 32
Louis Van Houten, Unit 41

Gary & Deborah Gerhard, Unit 21
Peg Henry, Unit 24
Geoffrey & Mrinalini Kaeser, Unit 10
Donald Van Dyne, Unit 16

With units represented in person and six proxies received a quorum was confirmed.

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

II. COMCAST PRESENTATION

Debby Kurd joined via teleconference to provide an overview of the existing service and proposal for adding high speed internet. The Association currently has a contract with Comcast for basic service. The contract was recently renewed for five years with an upgrade to HD with a \$0.05/unit/month increase. There has been discussion about adding high speed internet service. Currently, 37 of the 44 units have high speed internet through Comcast. An addendum could be added to the contract for high speed internet for all units at a cost of \$25/unit/month. The contract would include swapping out the existing receivers for X1 boxes and a modem with wireless networking capability. The speeds would be 100 Mbps download and 5 Mbps upload. Comcast will inspect all units again to ensure all cable, outlets and signal are in good working order. The individual accounts of owners who already have Comcast internet would be closed out. Ron Morey said the Board will convene after this meeting to vote on the proposal.

III. APPROVE PREVIOUS MEETING MINUTES

Bob Chisholm made a motion to approve the minutes of the January 30, 2016 Homeowner Meeting as presented. Sharon O'Connell seconded and the motion carried.

IV. FINANCIAL REPORT

Patti Vande Zande reported that the Association ended the last fiscal year with net Operating income of \$48,000. After factoring in the Reserve expenses, the bottom line was a \$13,000 loss, mainly due to an overage in snow removal expenses.

The 2017 Budget includes a \$75/unit/month (\$3,225/month) contribution to Reserves to build the balance. Operating expenses are anticipated to be similar to 2016.

There is a Reserve Study. The Board reviews it on a regular basis and adjusts the timeline for projects as appropriate.

Bob Chisholm made a motion to accept the Financial Report and 2017 Budget. Meredith Van Dyne seconded and the motion carried.

Lee Henry asked where the \$600,000 Reserve balance was held. Patti Vande Zande said \$250,000 was with Wells Fargo and \$310,000 was in an Alpine Bank Reserves sweep account.

Bob Chisholm made a motion to transfer \$23,000 from Operating to Reserves. Richard Nadolink seconded and the motion carried unanimously.

IV. MANAGER'S REPORT

This report was provided by Mike Nachtigal.

A. Snow Removal

There have been extra costs for snow removal due to contracting for heavy equipment to move snow around. The roof snow is being removed to prevent ice dams and leaks. One leak will probably result in an insurance claim. The roof snow removal contractors are pushing the snow onto the driveway and it is then moved with a plow. Peg Henry said the RKR snow removal crew had done an excellent job.

B. Insurance Claim

One unit had some damage to the floor from a leak from an ice dam. All claims should be coordinated through Basic Property Management. There is a \$5,000 deductible.

C. Clubhouse Deck Repairs

Two of the deck beams rotted and had to be replaced.

D. Back Up Heaters

Mike Nachtigal recommended that owners keep three spare heaters in their units in case there is a boiler failure.

V. BOARD OF DIRECTORS ELECTION

Gary Nicholds said notice was sent to the owners at the end of last year soliciting Board candidates. The term of Meredith Van Dyne expired and she was the only self-nomination

received. There were no nominations from the floor. Sharon O'Connell made a motion to elect Meredith Van Dyne by acclamation. Richard Nadolink seconded and the motion carried.

VI. UNFINISHED BUSINESS

A. Discussion of Enclave Governing Documents

Ron Morey said the Board has been reviewing the governing documents over the past few months. The Declarations are inconsistent, irrelevant, antiquated and obsolete. The Board has hired Richmond and Sprouse to assist with revising them. The amended Declarations should be completed within the next 75 days. The Board will send the new Declarations to all owners. An affirmative vote from at least 67% of the membership will be required to adopt the new Declarations. Going forward, the Declarations should have them reviewed every five years.

B. Tennis Court

Patty Howell asked if there were any plans for the tennis court. Mike Nachtigal said he will look at them in the spring and make repairs as needed. Patty said there were some cracks that should be addressed. Gary Gerhard said there were some trees growing close to the court and the roots could cause damage to the surface.

C. Working Capital Fund

Patti Vande Zande said the Board might want to consider instituting a Working Capital Fund. It would be funded with a non-refundable contribution equating to three months of dues (approximately \$2,000) from each unit sale as part of the title work. It would help to keep dues stable and ideally prevent the need for Special Assessments. This provision would need to be included in the Declarations and Bylaws and would also require approval of 67% of the membership.

VII. NEW BUSINESS

There was no New Business.

VIII. SET NEXT MEETING DATE

The next meeting will be held Saturday, January 27, 2018 at 9:00 a.m.

IX. ADJOURNMENT

A motion was made to adjourn the meeting at 10:09 a.m.

Approved By: _____ Date: _____
Board Member Signature

**ENCLAVE AT KEYSTONE ASSOCIATION
BOARD OF DIRECTORS MEETING
JANUARY 28, 2017**

I. CALL THE MEETING TO ORDER

The Enclave at Keystone Association Board of Directors Meeting was called to order at 10:31 a.m. in the Enclave at Keystone Clubhouse.

Board Members Present Were:

Ron Morey, President, #32	Meredith Van Dyne, Vice-President, #16
Bob Chisholm, Treasurer, #4	Richard Nadolink, #11
Lee Henry, #24	Sharon O'Connell, #42

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

II. COMCAST PROPOSAL

Board comments in favor of the internet proposal noted that bulk rate will save owners who already have internet about \$35/month, Comcast will ensure the service works in every unit, owners who have a dish can use Comcast at the same time and providing the service will discourage installation of satellite dishes around the property.

Board concerns related to the internet proposal included that the Association should not be in the business of providing cable and internet, Comcast customer service has been problematic and dues would need to be increased to cover the cost.

It was noted that the bulk account address is 23099 Highway 6 plus the unit. This address should be referenced when talking to Comcast.

Gary Nicholds was asked to draft an email explaining to owners that dues will go up but their individual expense will go down and to include specific instructions for completing the switchover.

Sharon O'Connell made a motion to move forward with the addition of high speed internet to the current Comcast contract at a cost of \$25/unit/month and to increase dues by that amount (most likely effective as of March 1, 2017). Bob Chisholm seconded and the motion carried.

III. DECLARATIONS REVISION

Fred Sprouse estimates the Declarations revisions will take 60 – 75 days and the cost will be \$5,000 – 6,000. The revision needs to clarify if the units are considered condominiums or townhomes. It is believed that the property was originally classified as townhomes and the description may have changed when the two Associations were combined. Richard Nadolink thought there should be an existing template that could be used. Gary Nicholds will research options and confer with Fred Sprouse.

Bob Chisholm made a motion to proceed with the Declarations revision by Richmond Sprouse at a cost of \$5,000 – 6,000. Richard Nadolink seconded and the motion carried unanimously.

A letter will be sent to the membership explaining why these revisions are being made.

IV. ROOF ISSUES

Richard Nadolink said he sent information to all Board members about roofs and ice dam issues. Metal roofs would prevent snow accumulation but could cause an issue with snow shedding. Asphalt shingles have an expected useful life of 15 – 20 years whereas metal can last up to 50 years, although at a higher initial cost. He recommended that the Board calculate the delta between shingle and metal the next time the roofs are replaced.

V. SALARY & BONUS

Ron Morey said the Board should clarify what the bonus is, if it will be increased, and if so, for what reason. Patti Vande Zande reviewed the package details of Mike Nachtigal’s salary, housing, mileage, cable television, cell phone reimbursement, health insurance, utilities and annual bonus. She provided a comparison with another complex with 104 units. She recommended increasing his salary to \$45,000 – 50,000 by including the bonus and creating criteria for awarding another smaller bonus (\$2,000 – 3,000) at year-end, based on extra work completed and the financial status of the Association. A job description should also be developed. Sharon O’Connell and Bob Chisholm volunteered to work with Mike Nachtigal on the job description.

Sharon O’Connell made a motion to increase Mike Nachtigal’s salary to \$53,000 effective February 1, 2017 and to review his responsibilities and create criteria for earning a year-end bonus, which will be more in line with the general marketplace. Meredith Van Dyne seconded and the motion carried unanimously.

Mike Nachtigal should be asked to provide a recommendation for a bonus for Abel. Patti Vande Zande pointed out he is earning \$14/hour and has never received a raise.

VI. SET NEXT MEETING DATE

The next Board will be held on a Saturday in May.

VII. ADJOURNMENT

A motion was made to adjourn the meeting at 11:51 a.m.

Approved By: _____ Date: _____
Board Member Signature

**ENCLAVE AT KEYSTONE ASSOCIATION
BOARD OF DIRECTORS MEETING
MAY 27, 2017**

I. CALL THE MEETING TO ORDER

The Enclave at Keystone Association Board of Directors Meeting was called to order at 9:04 a.m. in the Enclave at Keystone Clubhouse.

Board Members Present Were:

Ron Morey, President, #32	Meredith Van Dyne, Vice-President, #16
Bob Chisholm, Treasurer, #4	Richard Nadolink, #11
Sharon O'Connell, #42	

Owners Present Were:

Bill O'Connell, #42	Cindy Beeks, #17
Mimi Clair, #38	James Carahalios, #15
Geoff Kaesen, #10	Marge Morey, #32

Representing Basic Property Management were Gary Nicholds and Patti Vande Zande. Mike Nachtigal, on-site Manager, was present at the meeting. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. APPROVAL OF PREVIOUS MEETING MINUTES

A motion was made to approve the January 28, 2017 Board Meeting minutes as presented. The motion was seconded and carried.

III. FINANCIAL REPORT

Patti Vande Zande reviewed the financial status as of April 30, 2017.

1. Total Checking/Savings - \$603,838 with about \$500,000 of the total in Reserves.
2. Total Accounts Receivable – (\$6,480) for prepaid dues.
3. Net Ordinary Income – (\$34,562).
4. Net Income (including Reserves) – (\$21,662) mainly due to overages in Snow Removal.

The Wells Fargo cash balance will be moved to Alpine Bank. Patti recommended maintaining a maximum balance of \$250,000 in the Operating account and sweeping any cash over that amount to other accounts.

IV. PROPERTY MANAGEMENT REPORT

A. Comcast Installation Update

Gary Nicholds said the Comcast installation was completed in most units. Owners who already had basic service were upgraded automatically. Owners who have extra services need to provide permission for Comcast to install the upgrades. There are some issues with cable lines that have been split multiple times in some units. Mike Nachtigal was recognized for his assistance during the installation.

B. Insurance Update

Gary Nicholds confirmed that a D&O policy is in place for the Board members. The Association policy includes liability coverage and an umbrella. The deductible is \$10,000. He will email the policy details to the Board by next week.

C. Comment on Declarations

Gary Nicholds thanked the Board and owners who participated in the Declarations revisions project. He feels it is headed in the right direction.

D. CCIOA: Owner Information

Gary Nicholds explained that per CCIOA, management companies are only allowed to distribute owner emails and phone numbers with written owner permission. He can provide a directory of owner names and mailing addresses. He recommended keeping this information in a protected section of the Association website.

V. UNFINISHED BUSINESS

A. Declarations Changes

Ron Morey commented that the Declarations were written in 1988. The only change that has been made since that time addresses quarter shares. Some sections are obsolete, include obtuse legal language or describe entities that do not exist. All Board members reviewed the Declarations and highlighted areas that they felt needed to be revised. The legal firm of Richmond Sprouse was engaged to make the amendments and to simplify the language. The current draft now needs approval by the Board and by an affirmative vote from 67% of all owners. Basic Property Management will be responsible for sending the document out to the owners with an explanation of the major changes and a ballot. The owners will be given 45 – 60 days to return the ballot. Once approval has been received from at least 67% of the owners, the first mortgage holders will be contacted and a percentage (prescribed in the Declarations) will need to provide their approval. The votes of owners who do not return a ballot are counted as a vote in opposition but the votes of mortgage holders who do not return a ballot are counted as being in favor. The updated Declarations should include the date of revision. Once the Board approves the draft, Gary Nicholds will forward it to the owners for review.

Ron Morey noted that the attorney included the legal definition of a condominium. Since the condominiums are individually owned, the attorney also included language that define the specific responsibilities of the owners versus the Association.

A Board member suggested the following changes:

1. On page 1, the first sentence should be revised to "... condominiums is a planned residential community".
2. On page 14, item 8.2.D, add language in the section regarding owner responsibility for door and window replacement to clarify that replacements must match the existing and that any non-conforming changes must be approved by the Board.

VI. NEW BUSINESS

A. Tree Removal

Mike Nachtigal reported that there are a couple trees on the property that need to be removed. One is a large spruce that has been infected by mistletoe, one is a cottonwood that is growing too close to a spruce and there are a couple of cottonwoods by Unit 25 that are hitting the roof.

B. Pool

The pool is being resurfaced and repainted. The new paint product has a 15-year warranty. There have been some challenges with the application of the paint that have caused delays to the project. Mike Nachtigal hopes the work will be completed by next weekend.

C. Irrigation

The irrigation system will be turned on soon.

D. Mulch

The areas in front of the units will be re-mulched. The estimated cost is about \$1,000.

E. Wintergreen Project

The Wintergreen workforce housing project by the Keystone Stable has been approved.

F. Lights

Two of the wooden light posts in front of the units rotted and fell over. They were removed but not replaced. Mike Nachtigal will research options for replacement.

VII. SET NEXT MEETING DATE

The next Board Meeting was tentatively scheduled for Saturday, September 23, 2017.

VIII. ADJOURNMENT

Ron Morley made a motion to adjourn the meeting at 10:20 a.m.

Approved By: _____

Board Member Signature

Date: _____

**ENCLAVE AT KEYSTONE ASSOCIATION
BOARD OF DIRECTORS MEETING
SEPTEMBER 23, 2017**

I. CALL THE MEETING TO ORDER

The Enclave at Keystone Association Board of Directors Meeting was called to order at 9:04 a.m. in the Enclave at Keystone Clubhouse.

Board Members Present Were:

Ron Morey, President, #32	Meredith Van Dyne, Vice-President, #16
Bob Chisholm, Treasurer, #4	Richard Nadolink, #11
Sharon O'Connell, #42	Lee Henry, #24, Alternate

Owners Present Were:

Bill O'Connell, #42	Cindy Beeks, #17
Mimi Clair, #38 (via teleconf.)	Marianna & Bill Goslau, #36
Patty Howell, #34	Marge Morey, #32
Joseph Thompson, #22	

Fred Sprouse of Richmond Sprouse LLC was a guest at the meeting.

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

II. APPROVAL OF PREVIOUS MEETING MINUTES

Richard Nadolink made a motion to approve the May 27, 2017 Board Meeting minutes as presented. Sharon O'Connell seconded and carried.

III. NEW DECLARATION: EXPLANATION AND Q&A BY FRED SPROUSE

Fred Sprouse stated that he was retained by the Board to review and modify the Declarations for the Association. There has been a lot of communication between the Board and owners, mainly about the process and why the Declaration was restated. He explained that it was his opinion that it would be in the Association's best interest to amend and restate the document. The original Declaration was obsolete and many provisions were antiquated and not legally applicable due to changes in the law.

The original Declaration was adopted in 1985. They were created by the Declarant and were subject to the Colorado Condominium Act. The State of Colorado adopted the Colorado Common Interest Ownership Act (CCIOA) in 1992. CCIOA deals more comprehensively with planned communities, i.e. how they are created, governed, the responsibilities of the Board and the Board's powers and obligations.

The most significant problems with the original Declaration included the following:

1. There were lengthy references to the Declarant's rights and the Declarant has long since departed.

2. Many definitions were obsolete and irrelevant due to the Declarant departure.
3. A considerable portion of the Declaration dealt with fractional ownership (timeshares) and there are no longer any timeshares in The Enclave. Units with multiple owners are not considered timeshares since the owners are not tied to a specific week.
4. The number of units was defined as 23 when there are actually 43 units.
4. The condominium maps did not include everything that needed to be addressed.
5. Article 5 - Voting Rights referenced the Declarant, timeshare unit owners and their rights.
6. Article 6 – Association Powers and Duties subjected the Association to unnecessary liability based on how the management and maintenance duties were defined.
7. Article 7 – Assessments included some obsolete references to the Declarant obligations and timeshares. It provided for a Working Capital Fund based on a contribution of two months of assessments by new owners. This was revised in the restated Declaration to reflect a collection of three months of assessments.
8. Article 8 – Insurance was in large part indecipherable. The language was revised to plain English and streamlined.
9. Article 9 – Conveyance of Units and Taxation included the legal description of 23 units. This was revised and corrected to 43 units.
10. Article 10 – Mechanics Lien. There were no significant changes to this section.
11. Article 11 – Easements for Utilities. There were no significant changes to this section.
12. Article 13 – Damage, Destruction and Condemnation of Property. Minor changes were made to the original wording.
13. Article 14 – Benefits and Burdens of Condominium Ownership. There were no significant changes to this section.
14. Article 15 – Amendment of Declarations referred to the original Declarant but did not discuss how the Association could amend the Declaration. Per CCIOA, the requirement cannot exceed 67% of the membership to amend the document.
15. Article 16 – Timeshare Units was eliminated since there are no timeshares.
16. Article 17 – First Mortgagees Rights gave first mortgagees the right to prevent the adoption of amendments to the Declaration. This was changed in the restated Declaration to limit their rights related to amendments while still preserving and protecting their rights related to notice of delinquencies or defaults by owners and their right to cure if defaults occur.
17. Article 18 – Miscellaneous included mainly boilerplate language and some obsolete provisions.

Fred Sprouse said there had been owner requests for him to provide a red-lined version to facilitate comparison of the original and restated Declaration. He created such a document but noted that the language was mostly red since the wording was more of a restatement than a revision.

Gary Nicholds announced the results of the vote. There were 37 votes submitted from the total 43 units, with 30 voting yes, 6 voting no and one abstention. Six owners did not submit their vote. This equates to 69.7% yes and 13.9% no based on the entire membership of 43 units and 81% yes, 16% no and .03% abstaining based on the 37 votes cast.

Fred Sprouse added that the original Declaration had internal inconsistencies in Articles 15 and 17 relating to the majority required for amending the Declaration. Article 15 referenced a 51% majority and Article 17 referenced a 67% majority. The restated Declaration requires a 67% majority.

Fred Sprouse explained the hierarchy of the Association documents. The Declaration defines how the community is governed and are the controlling document. The Bylaws are next and deal with procedural items, followed by the Rules and Regulations, which the Board has the authority to create based on the Declaration. The Declaration take precedence over any conflicts between the Bylaws and Declaration and CCIOA will likely prevail in any conflicts between the Declaration and CCIOA but it may depend on the particular situation.

In regards to voting, the original Declaration required approval of 67% of the first mortgagees in addition to the owner approval for amendments. There are 17 first mortgagees and they were sent all the information. All but two have received the packets and thus far, all responses have been affirmative.

Owner questions and comments addressed the following:

1. Bill Goslau commented that the explanation provided by Fred Sprouse should have been provided months ago as it would have answered many of the questions. He asked if the new Declaration was posted on the website. Gary Nicholds said they would be posted once they have been recorded with the County. Bill said there were ongoing issues with drainage from the roofs and formation of ice on the driveways. The first draft of the restated Declaration indicated the Association was responsible for gutters but the final draft excluded the gutters. He was concerned about liability exposure for the Association. Bob Chisholm said gutters were designated to be an owner responsibility. Some owners installed gutters on their own and signed a release to the Association for the cost and maintenance of the gutters. Fred Sprouse stated that it was basically impossible to prevent someone from suing the Association in the event of an accident. Determining liability would depend on the maintenance of the gutters and if there was a clear and present danger along with a number of other factors. The maintenance and repair responsibilities could be specified in the Rules and Regulations.
2. Patty Howell asked about the total cost for restating the Declaration. Fred Sprouse said it was about \$4,000 but he did not have a final figure.
3. Bill Goslau asked if the Bylaws needed to be changed. Ron Morey said there were some minor changes to be made.
4. Cindy Beeks said she did not know the history of the gutters. She suggested that this type of information be provided to new owners. She voted no on the Declaration vote but agreed they needed revisions and said she would have voted in favor if the explanation had been provided earlier. She would like to see improved communication from the Board to owners. Ron Morey noted that the Board sent several letters that enumerated most points covered today by Fred Sprouse.

IV. FINANCIAL REPORT

Patti Vande Zande reviewed the financial status as of August 31, 2017.

1. Total Checking/Savings - \$603,105 including \$11,639 in Operating and \$591,467 in Reserves.
2. Total Accounts Receivable – (\$7,005) for prepaid dues. One owner was delinquent but has paid in full since the date of the report. Some owners have not yet changed their automatic payments to include the \$25/month for Comcast.
3. Net Ordinary Income – (\$28,650) deficit due to overage in Snow Removal.
4. Net Reserve Income - \$9,427.
5. Net Income/(Loss) – (\$19,223)

Patti recommended moving the balance from Wells Fargo to Alliance Bank and investing in a 13-month CD earning 1.5%. She said the Association was well funded for the next few years. Ron Morey asked her to provide a recommendation on an annual basis. She will update the Reserve Plan at the end of the year to reflect actual expenses for any projects that were completed and push projects that were not done forward. She asked the Board to provide input on the projects listed in 2017 and 2018.

Bob Chisolm made a motion to move the \$250,170 balance from Wells Fargo to Alliance. Lee Henry seconded and the motion carried.

Bob Chisolm was asked to provide clarification for the \$29,000 Clubhouse expense in the Reserve Plan.

Bob Chisholm made a motion to approve the Financial Report as presented. Lee Henry seconded and the motion carried.

V. PROPERTY MANAGEMENT REPORT

A. Projects

1. Heat tape will be installed on the back side of two units.
2. The pool boiler was replaced at a cost of \$3,600. It was an original boiler.
3. Replace the lamp posts in front of the units. Mike Nachtigal tried to find suitable replacements at other properties but could not find any. He recommended bollard lights instead and provided a couple of options. He suggested installing three aluminum bollards with LED bulbs at the Clubhouse as a test. The cost would be \$317 each. He will remove the rotting wood posts. He was authorized to order and install three of the square bollards before winter.

VI. OLD BUSINESS

A. Comcast

Gary Nicholds said Comcast checked the wiring and completed the installation. There were a few owners who had to fix some wiring inside the units. He has not heard any negative comments since the installation.

VII. NEW BUSINESS

A. Payment Plan

Gary Nicholds said CCIOA requires nine Responsible Governance Policies. One of them is a Collection Policy that addresses dues collection and late fees. CCIOA requires inclusion of a payment plan in the Collection Policy. Owners must be offered a one-time payment plan to become current within a set timeframe. He recommended amending the existing policies and including the language he provided.

Lee Henry made a motion to approve addition of the payment plan language to the Collection Policy. Richard Nadolink seconded and the motion carried. Gary Nicholds will determine where it should be inserted.

B. Owner Information Release

Gary Nicholds said he needs written authorization to share owner emails and phone numbers. He provided a form for owner signature.

VIII. SET NEXT MEETING DATE

The Annual Meeting will be January 27, 2018 at 9:00 a.m.

IX. ADJOURNMENT

Ron Morey made a motion to adjourn the meeting at 10:43 a.m.

Approved By: _____ Date: _____
Board Member Signature